

**B.Sc. DEGREE EXAMINATION, NOVEMBER 2018**  
**I Year II Semester**  
**Allied - Paper II**  
**MANAGEMENT ACCOUNTING**

**Time : 3 Hours**

**Max.marks :75**

**Section A** ( $10 \times 2 = 20$ ) Marks

Answer any **TEN** questions

1. What is Management Accounting?
2. List out any 4 functions of management accounting.
3. What are ratios?
4. List out the turnover ratios?
5. Ascertain the amount of Profit or Loss on sale of machinery  
Cost of machinery Rs.1,00,000; Accumulated depreciation on machinery Rs.30,000;  
Sale value of machinery Rs.85,000.
6. What is Cash flow statement?
7. What is Budget?
8. How will you compute cash budget?
9. What is P/V ratio?
10. Find out margin of safety  
Sales Rs.13,00,000; B.E.P Rs.10,40,000
11. Calculate Gross Profit Ratio  
Sales Rs.2,00,000; Gross Profit Rs.20,000; Net Profit Rs.10,000
12. What are the limitations of management accounting?

**Section B** ( $5 \times 5 = 25$ ) Marks

Answer any **FIVE** questions

13. Explain the scope of management accounting.
14. Calculate stock turnover ratio from the following  
Cost of Sales Rs.31,536; opening stock 1,378; closing stock 1,814;
15. Explain the advantages of cash flow statement.

16. A company at present operating at 80% capacity produces and sells 40,000 units. Given below are the expenses per unit.

	Per unit rs.
Direct material	15
Direct labour	10
Factory overhead (30% fixed)	5
Office overhead (60% variable)	3
Selling and distribution over head (50% fixed)	2
Selling price	45

Prepare flexible budget.

17. Calculate BEP in units and value for the following:  
 Total cost Rs.50,000; Total variable cost Rs.30,000; Sales (5,000 units) Rs.50,000;  
 Fixed cost Rs.20,000
18. Explain any 5 profitability ratios
19. Explain the objectives of budgetary control.

### Section C ( $2 \times 15 = 30$ ) Marks

Answer any **TWO** questions

20. Differentiate between Management Accounting Vs Financial Accounting.
21. From the following calculate (a) Current ratio (b) Liquidity ratio (c) absolute liquidity ratio

	Rs.
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

22. From the following Balance Sheets of Arvind Ltd., you are required to prepare a cash flow statement:

Liabilities	1989	1990	Assets	1989	1990
Share capital	4,00,000	5,00,000	Cash	60,000	94,000
Trade creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
Profit & Loss A/c	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	5,60,000	6,36,000		5,60,000	6,36,000

23. Vasanth Ltd. Presents the following results for one year. Calculate the P/V Ratio, BEP and Margin of safety.

	Rs.
Sales	2,00,000
Variable costs	1,20,000
Fixed cost	50,000
Net profit	30,000