

B.Com(CS) DEGREE EXAMINATION, APRIL 2019
III Year VI Semester
Management Accounting

Time : 3 Hours

Max.marks :75

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

Answer any **TEN** questions

1. Define Management Accounting.
2. What is meant by interpretation of data?
3. What do you mean by quick ratio?
4. What is fund flow statement?
5. Define budget.
6. What is break even point?
7. State any two objectives of management accounting.
8. From the following data find out current ratio:

	Rs.
Total liabilities	5,00,000
Long term liabilities	2,80,000
Total current assets	3,40,000
(Including cash at bank 50,000)	

9. Find out fixed cost.

Sales	Rs. 4,00,000
PV Ratio	40%
Loss	Rs.50,000
10. Write a short note on "variance analysis".
11. Calculate break even point from the following:

Sales 1,000 units at Rs.10 each	Rs. 10,000
Variable cost Rs.6 per unit	
Fixed cost Rs.8,000	
12. What is Key-factor?

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

Answer any **FIVE** questions

13. State the limitations of Management Accounting.

14. From the details given below prepare a Common Size Income Statement.

Particulars	Year ending 31.12.2017(Rs.)	Year ending 31.12.2018(Rs.)
Sales	2,00,000	5,00,000
Cost of sales	1,00,000	2,20,000
Operating expenses	20,000	30,000
Non - operating expenses	30,000	35,000

15. From the following compute the value of stock.

Sales 10,00,000

Gross profit ratio 25%

Stock turnover ratio 10%

Closing stock is more than opening stock by Rs.25,000

16. From the following details ascertain Net Profit before Tax and Extraordinary Items for the year ended 2018

Particulars	2017(Rs.)	2018(Rs.)
General Reserve	2,00,000	3,50,000
Profit and Loss Account	1,50,000	2,40,000
Proposed dividend	2,10,000	2,50,000
Provision for Taxation	2,00,000	2,50,000

An interim dividend of Rs.1,00,000 was paid during 2018. Income tax paid in 2018 was Rs.1,75,000. A compensation of Rs.1,30,000 was received from government on account of riots.

17. From the following Profit And Loss Account, Calculate Funds From Operations

Particulars	Rs.	Particulars	Rs.
To Operation expenses	1,00,000	By Gross Profit	2,00,000
To Depreciation	40,000	By Gain on sale of plant	20,000
To Loss on sale of building	10,000		
To Advertisement	5,000		
To Discount allowed	500		
To Discount on issue of shares written off	500		
To Goodwill written off	12,000		
To Net profit	52,000		
	2,20,000		2,20,000

18. From the following information, prepare production budget.

Product	Budgeted sales Quantity (Units)	Actual stock on 31.12.2017 (Units)	Desired stock on 30.6.2018 (Units)
S	20,000	4,000	5,000
T	50,000	6,000	10,000

19. Calculate material cost variance from the following data:

	Standard	Actual
Quantity	400 kgs	460 kgs
Price	Rs.2 per kg	Rs.1.5 per kg
Value	Rs.800	Rs.690

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

Answer any **TWO** questions

20. State the differences between Financial Accounting and Management Accounting.

21. From the following information, Calculate

(a) P/V ratio

(b) Break-even point

(c) Margin of safety

(d) If the selling price is reduced to Rs. 90, how much is the margin of safety reduced?

	Rs.
Total sales	3,60, 000
Selling price per unit	100
Variable cost per unit	50
Fixed cost	1,00,000

22. Prepare Funds Flow Statement.

Balance sheets

Liabilities	2017(Rs)	2018(Rs)	Assets	2017(Rs)	2018(Rs)
Share capital	1,00,000	1,50,000	Land & building	1,00,000	90,000
General Reserve	50,000	60,000	Plant & Machinery	1,00,000	1,19,000
Profit & Loss A/c	30,500	30,000	Stock	50,000	24,000
Bank loan	70,000	---	Debtors	75,000	63,000
Sundry creditors	50,000	37,200	Cash	500	1,200
Provision for tax	32,000	35,000	Bank	2,000	15,000
			Goodwill	5,000	---
	3,32,500	3,12,200		3,32,500	3,12,200

Additional Information:

- a. Dividend of Rs.23,000 was paid during 2018.
- b. Depreciation written off on building Rs.10,000 and machinery Rs.14,000.
- c. Income Tax paid during the year ended 31st Dec. 2018 Rs.28,000.

23. From the following information, prepare Balance Sheet-

- (a) Stock turnover ratio
- (b) Capital turnover ratio
- (c) Fixed asset turnover ratio
- (d) Gross profit turnover ratio -20%
- (e) Debtors velocity - 2 months
- (f) Creditors velocity - 73 days

Gross profit was Rs.60,000. Reserves and Surplus amount to Rs.20,000. Closing stock was Rs.5,000 in excess of opening stock.