

**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 Financial Statement Analysis?
3. Write short notes on 'Trend Analysis'?
4. Calculate the material mix variance from the following:

MATERIAL	STANDARD	ACTUAL
A	90 units at Rs 12 each	100 units at Rs 12 each
B	60 units at Rs 15 each	50 units at Rs 16 each

5. Calculate Labour cost variance from the following data:

Standard hours: 80

Standard Rate: Rs 6 per hour

Actual Hours: 100

Actual Rate: Rs 8 per hour

6. Mention the formula for debtors turnover ratio.
7. Calculate the earnings per share from the following data:

Net profit before tax	Rs. 1,00,000
Taxation at 50% of net profits	
10% preference share capital (Rs. 10 each)	Rs. 1,00,000
Equity share capital (Rs 10. each)	Rs. 1,00,000

8. What is working capital?
9. Ascertain provision made for tax during 2006-07

Provision for taxation as on 1-4-2006	Rs.80,000
Provision for Tax as on 31-3-2007	Rs.1,00,000
Tax paid during the year	Rs.60,000

10. Prepare a production Budget for the Quarter ending 31<sup>st</sup> March 2004

	Tons
Budgeted sales for the Quarter	40,000
Stock on 31 <sup>st</sup> Dec 2003	8,000
Required stock on 31 <sup>st</sup> March 2004	10,000

11. Calculate break-even point from the following particulars:

	Rs
Fixed expenses	1,50,000
Variable cost per unit	10
Selling price per unit	15

12. From the following data calculate (a) P/V ratio (b) profit

Sales	Rs.20,000
Fixed expenses	Rs.4,000
Break-even point	Rs.10,000

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

Answer any **FIVE** questions

13. Explain the scope of Management Accounting.
14. The following details relating to the product X during the month of March 2007 are available. You are required to compute the material and labour cost variance:

Standard cost per unit:

Material 50 Kgs at Rs 40 per Kg

Labour 400 hours at Re 1 per hour

Actual cost for the month

Material 4900 Kgs at Rs 42 per kg

Labour 39600 hours at Re 1.10 per hour

Actual production= 100 units.

15. The Balance Sheet of Remember Ltd as on 31-2-06 is as follows:

**BALANCE SHEET**

LIABILITIES	RS	ASSETS	RS
Equity capital	2,00,000	Fixed assets	3,60,000
9% Preference shares capital	1,00,000	Stock	50,000
8% Debebtures	1,00,000	Debtors	1,10,000
Profit & Loss A/C	40,000	Bank	6,000
Creditors	90,000	Bills receivable	4,000
	5,30,000		5,30,000

Find out:

- (i) Debt equity ratio
- (ii) Current ratio and
- (iii) Liquidity ratio.
16. Distinguish between Funds Flow and Cash Flow statement.
17. A electronic company had prepared its budget for the year ending 31-3-2005 based on the production of 1 lakh units of their only product as under:

S.NO	PARTICULARS	AMOUNT
A	Raw materials	2,52,000
B	Direct labour	75,000
C	Direct expenses	10,000
D	Works overheads(60% fixed)	2,50,000
E	Administrative overheads(fixed 80%)	40,000
F	Selling overheads(50% fixed)	20,000

For want of demand, the actual production for that period was only 60,000 units. Prepare a flexible budget showing the budgeted cost per unit under both the original plan and under the actual performance.

18. What are the managerial applications of Marginal Costing?
19. You are given the following data for the year 2007 of a concern

PARTICULARS	RS
Variable cost	6,00,000
Fixed cost	3,00,000
Net profit	1,00,000
Sales	10,00,000

Find (a) P.V. Ratio (b) B.E.P (c) profit when sales is Rs 12,00,000 and (d) sales in Rupees to earn a profit of Rs 2,00,000.

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

Answer any **TWO** questions

20. Explain the different Tools and Techniques used in Financial Statement Analysis.
21. From the following data given below compute
- Working capital
  - Net capital employed
  - Current ratio
  - Acid test ratio
  - Debt-equity ratio
  - Fixed assets ratio

**USHA LTD**

as on 31st December 1999

Liabilities	Rs	Assets	Rs
Equity share capital	25,000	Fixed assets	30,000
preference share capital	5,000	Current assets	
Reserve & surplus	4,000	stores	2,000
Debentures	8,000	Sundry debtors	1,000
Bank loan	4,000	cash	500
Sundry creditors	1,000	Bank	2,500
Proposed dividend	1,000	Preliminary expenses	8,000
Provision for taxation	2,000	Brokerage on shares	2,000
		stock	4,000
	50,000		50,000

22. From the following Balance Sheets of Kumaran Ltd as on Dec, 31-12-2009 and 2010, you are required to prepare cash flow statement for the year ended Dec 31 - 2010

**BALANCE SHEET**

LIABILITIES	2009(RS)	2010(RS)	ASSETS	2009(RS)	2010(RS)
Share capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General reserve	14,000	18,000	Building	40,000	36,000
Profit & loss A/C	16,000	13,000	Plant	37,000	36,000
Creditors	8,000	5,400	Investment	10,000	11,000

Bills payable	1,200	800	Stock	30,000	23,400
Provision for taxation	16,000	18,000	Bills receivable	2,000	3,200
Provision for doubtful debts	400	600	Debtors	18,000	19,000
			Cash	600	200
			Bank	6,000	15,000
	1,55,600	1,55,800		1,55,600	1,55,800

Additional information:

(i.) Depreciation on plant Rs 4,000

(ii.) Provision for taxation of Rs 19,000 was made during the year 2010.

23. Following information has been made available from the cost records of United Automobile Ltd, manufacturing spare parts:

Direct material	Per unit
X	Rs 8
Y	Rs 6
Direct wages: X	24 hours @ 25 ps per hour
Y	16 hours @ 25ps per hour
Variable overheads 150% of direct wages	
Fixed overheads (total)	Rs 750
Selling price: X	Rs 25
Y	Rs 20

The directors want to be acquainted with the desirability of adopting any one of the following alternative sales mixes in the budget for the next period.

- (a.) 250 units of X and 250 units of Y
- (b.) 400 units of Y only
- (c.) 400 units of X and 100 units of Y
- (d.) 150 units of X and 350 units of Y.

State which of the alternative sales mixes you would recommend to the management.