

B.Sc. DEGREE EXAMINATION, NOVEMBER 2019
I Year II 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. Mention any two functions of Management accounting.
3. List out any two scope of Management accounting.
4. Write the meaning of Ratios.
5. Calculate ROI, When Net profit before interest and tax is 2,00,000 and Average capital employed is 4,75,000.
6. If Net profit before interest is 2,00,000 and Gross capital employed is 6,00,000. Calculate Return on Gross Capital employed.
7. What do you mean by Cash flow analysis?
8. If Profit made during the year = Rs. 45,000, Depreciation on machinery = Rs. 18,000, Increase in Debtors = Rs. 20,000. Calculate Cash from operation.
9. Define Budget.
10. Mention any two advantages of Budgetary Control.
11. Find Contribution, when variable cost is Rs. 50,000 and selling price is Rs. 80,000.
12. Given Sales = Rs. 2,00,000 variable costs = Rs. 1,20,000 and fixed cost = Rs. 40,000. Calculate P/V Ratio.

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

Answer any **FIVE** questions

13. Explain the importance of Management accounting.
14. Discuss the limitations of Management accounting.
15. Explain the Classification of Ratios.
16. Calculate the gross profit ratio from the following figures:

Particulars	Amount(Rs.)	Particulars	Amounts(Rs.)
Sales	1,00,000	Purchase	60,000
Sales return	10,000	Purchase returns	15,000
Opening stock	20,000	Closing stock	5,000

17. Opening stock = 5,000, purchases 20,000, sales = 35,000, closing stock = 10,000 and expenses = 5,000. Compute net profit and cash from operations.
18. Prepare a Production Budget for three months ended March 31, 2017 for a factory producing three products, on the basis of the following information:

Types of product	Estimated stock on January 1, 2017 (Units)	Estimated sales during Jan – March, 2017 (Units)	Desired closing stock on March 31, 2017 (Units)
A	2,000	10,000	3,000
B	3,000	15,000	5,000
C	4,000	13,000	3,000

19. The budget of AB Ltd. Includes the following data for the forthcoming financial year;

Particulars	X	Y	Z
Total Sales	24,000 units @ 12.50	1,00,000 units @ 7.00	50,000 units @ 10.00
Total Contribution	2,00,000	5,00,000	2,50,000

Calculate P/V Ratio for X, Y and Z.

Section C (3 × 10 = 30) Marks

Answer any **THREE** questions

20. Distinguish between Management accounting and Financial accounting.
21. Given Gross Profit = 5,00,000, Sales = 10,00,000, Operating profit = 4,00,000, Capital employed = 5,00,000, Current assets = 4,00,000, Current liabilities = 1,50,000, External equities = 3,50,000, Internal equities = 3,00,000, Cost of goods sold = 5,00,000, Average inventory = 2,00,000, Liquid assets = 1,50,000. Calculate
- 1) Gross Profit ratio
 - 2) Overall profitability ratio
 - 3) current ratio
 - 4) debt equity Ratio
 - 5) Average total inventory
 - 6) liquid Ratio.

22. Calculate the cash from operations from the following trading and profit and loss account for the year ending 31st March, 2017.

Particulars	Rs.	Particulars	Rs.
To purchase	20,000	By sales	30,000
To wages	5,000		
To gross profit c/d	5,000		
	30,000		30,000
To salaries	1,000	By gross profit b/d	5,000
To rent	1,000	By profit on sale of building	
		B.V = 10,000	
		Sold for 15,000	5,000
To depreciation on plant	1,000		
To loss on sale of furniture	500		
To goodwill written off	1,000		
To net profit	5,500		
	10,000		10,000

23. A Company produces 1,000 units at 100% capacity, and the costs at this level are as follow: Fixed - Rs. 5,000, Variable - Rs. 3 per unit and Semi-variable – Rs. 4 per unit (40% variable). Calculate flexible budget for the budgeted levels of activity of 80% and 90%
24. Total sales = Rs. 1,50,000, variable costs = Rs. 75,000 and Fixed costs = Rs. 50,000. Calculate Margin of Safety.