

B.Com DEGREE EXAMINATION, NOVEMBER 2019
III Year V 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. Find out Estimated Production.
Sales - 50,000; Closing Stock - 6,000; Opening Stock - 8,000.
3. Standard wage rate is Rs.2 per hour and standard time is 10 hours. But actual wage rate is Rs. 2.25 per hour and actual hours used are 12 hours, calculate labour cost variance.
4. What is Current Ratio?
5. How do you calculate ROI?
6. Calculate P/V ratio.
Contribution - 80,000; Sales - 2,00,000
7. What is net working capital?
8. Compute the cash flow from operating activities;

P&L A/c Balance on 31.3.2004	-	4,00,000
P&L A/c Balance on 31.3.2003	-	2,50,000
Transfer to General Reserve	-	50,000
Depreciation on Fixed Assets	-	10,000
9. Ascertain Provision made for tax during 2002-03.

Provision for tax as on 1.4.2002	:	80,000
Provision for tax as on 31.3.2003	:	1,00,000
Tax paid during the year	:	60,000
10. What is flexible budgeting?
11. Calculate funds from operations from the following P&L A/c

P&L A/c

To Expenses paid	3,00,000	By Gross profit	4,50,000
To Depreciation	70,000	By Gain on sale of land	60,000
To Loss on sale of machinery	4,000		
To Discount	200		

To Goodwill	20,000		
To Net profit	1,15,800		
	5,10,000		5,10,000

12. Calculate Gross Profit Ratio:

Sales 10,00,000; Sales returns 1,00,000; Opening Stock 2,00,000

Purchases 6,00,000; purchases returns 1,50,000; Closing Stock 65,000

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

Answer any **FIVE** questions

13. Distinguish between management accounting and financial accounting

14. What are the limitations of financial statements?

15. Calculate material cost variances 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

16. You are given the following information:

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

Calculate (a) Current ratio (b) Liquidity ratio (c) Absolute liquidity ratio

17. Determine the value of closing stock from the following details

Sales - Rs. 4,00,000
 Gross Profit ratio - 10% on Sales
 Stock Velocity - 4 times

Closing Stock was Rs. 10,000 in excess of opening stock

18. From the following information relating to Bright Ltd. Calculate funds lost in operation

	Rs.
Net loss for the year	90,000
Dividend received	7,000
Depreciation Charged	10,000
Profit on sale of assets	5,000
Refund of tax	2,000

19. The following budget estimates are available from a factory working at 50% of its capacity:

Variable expenses	-	Rs. 60,000
Semi-Variable expenses	-	Rs. 20,000
Fixed expenses	-	Rs. 10,000

Prepare a budget for 75% of the capacity assuming that semi- variable expenses increase by 10% for every 25%

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

Answer any **TWO** questions

20. Distinguish between management accounting and cost accounting
21. From the following information, prepare a Balance sheet, Give the workings also
- | | | |
|---------------------------------------|---|--------------|
| a) Working Capital | - | Rs. 75,000 |
| b) Reserves and supplies | - | Rs. 1,00,000 |
| c) Bank Overdraft | - | Rs. 60,000 |
| d) Current Ratio | - | 1.75 |
| e) Liquid Ratio | - | 1.15 |
| f) Fixed assets to proprietor's funds | - | 0.75 |
| g) Long term liabilities | - | Nil |
22. From the following data, prepare a statement of sources and application of funds.

Liabilities	2007(Rs.)	2008(Rs.)	Assets	2007(Rs.)	2008(Rs.)
Capital	5,00,000	4,00,000	Fixed Assets	7,00,000	3,10,000
Reserves ad Supplies	50,000	1,50,000	Cash	50,000	1,50,000
Secured loan	4,00,000	3,50,000	Stock	2,00,000	3,00,000
Current Liabilitty	6,00,000	5,00,000	Debtors	6,00,000	4,00,000
			B/R	-	2,40,000
	15,50,000	14,00,000		15,50,000	14,00,000

Adjustments:

- | | |
|--|------------|
| a) Dividend declared during the year | Rs. 50,000 |
| b) Depreciation on fixed assets changed for the year | Rs. 25,000 |

23. From the following data forecast the cash position at the end of April, May and June 1998.

Month 1998	Sales	Purchases	Wages	Sales expenses
February	1,20,000	80,000	10,000	7,000
March	1,30,000	98,000	12,000	9,000
April	70,000	1,00,000	8,000	5,000
May	1,16,000	1,03,000	10,000	10,000
June	85,000	80,000	8,000	6,000

Further information:

Sales at 10% realised in the month of sales. Balance equally realised in two subsequent months.

(i) Purchases: Creditors are paid in the month following the month of supply

(ii) Wages: 20% paid in arrears in the following month.

(iii) Sundry Expenses paid in the month itself.

(iv) Income tax Rs.20,000 payable in June

(v) Dividend Rs.12,000 payable in June

(vi) Income from investments Rs.2000 received half-yearly in March and September.

(vii) Cash balance on hand as on 1.4.88 Rs.40,000