B.Sc. DEGREE EXAMINATION,APRIL 2020
I Year II Semester
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. What is Decision making?
3. Find out Operating Ratio and Operating profit Ratio.

Cost of Goods sold	=	Rs. 1,80,000
Other operating expenses	=	Rs. 30,000
Net sales	=	Rs. 3,00,000.

4. Opening stock Rs.29,000. Closing stock Rs.31,000 Purchases Rs. 2,42,000. Calculate stock turnover ratio.
5. What is meant by cash flow statement?
6. What are the two kinds of sources of cash?
7. What is meant by Budget?
8. What is Cash Budget?
9. What is the formula for Gross Profit Ratio and Net Profit Ratio?
10. Define Marginal Costing.
11. What is Break-even point?
12. What is Margin of Safety?

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

Answer any **FIVE** questions

13. Differentiate between Management accounting and financial accounting.
14. Calculate the debtors turnover ratio from the following:

Total sales for the year 1987	Rs.1,00,000
Cash sales for the year 1987	Rs. 20,000
Debtors as on 1.1.1987	Rs.10,000
Debtors as on 31.12.1987	Rs.15,000
Bills receivable as on 1.1. 1987	Rs.7500
Bills receivable as on 31.12.1987	Rs.12,500

15. Compute cash from operations from the following figures:

    Profit for the year 1996 is a sum of Rs. 10,000 after providing for depreciation of Rs. 2,000.

Particulars	1995(Rs.)	1996(Rs.)
Sundry debtors	10,000	11,000
provision for doubtful debts	1,000	1,200
bills receivable	4,000	3,000
bills payable	5,000	6,000
sundry creditors	8,000	9,000
inventory	5,000	8,000
short term Investments	10,000	12,000

16. A company at present operating at 50% capacity produces and sells 10,000units. The unit cost is Rs.180 and the selling price is Rs.200

    The expenses per unit are given below:

	Rs.
Direct material	100
Direct Labour	30
Factory expenses (60% variable)	30
Administrative expenses (40% fixed)	20

    Prepare a flexible budget at 80% Capacity.

17. Calculate break-even point from the following:

    Sales 1,000 units at Rs.10,000
    Variable cost- Rs.6 per unit
    Fixed cost- Rs.8,000

18. From the following Data calculate:

    (1.)P/V ratio (2.)Profits

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

19. The following figure relate to the trading activities of a company for the year ended 31-12-1987.

Particulars	Rs.	Particulars	Rs.
Sales	1,00,000	Salary of Salesmen	1,800
Purchases	70,000	Advertising	700
Closing Stock	14,000	Travelling expenses	500
Sales retunes	4,000	Salaries(Office)	3,000
Dividend received	1,200	Rent	6,000

Profit on Sale of fixed assets	600	Stationary	200
Loss on sale of shares	300	Depreciation	1,000
Opening Stock	11,000	Other expenses	2,000
		Provision for tax	7,000

You are required to calculate

1)Gross Profit ratio 2)Operating profit ratio 3)Operating ratio 4)Net profit ratio

Section C $(3 \times 10 = 30)$ Marks

Answer any **THREE** questions

20. Explain the various functions of Management Accounting.

21. A Ltd. Present you the following income statement and request you to calculate
1)Operating ratio
2)Expense ratio
3)Operating profit ratio
4)Gross profit ratio
5)Net profit ratio.

Income Statement

Sales Less:-Sales retunes Net sales Less:-Cost of goods sold	8,60,000 60,000	 8,00,000 3,50,000
Gross profit		4,50,000
Non-operating incomes:- Add:-profit on sale of investment Income from investments		 30,000 20,000
		5,00,000
Less:-Operating expenses:- Administration expenses Selling expenses Distribution expenses Non-operating expenses:- Finance expenses Loss on sale of plant Provision for income tax	 40,000 60,000 20,000 30,000 20,000 30,000	 2,00,000
Net profit		3,00,000

22. From the following balance sheets of Arvind Ltd. You are required to prepare a cash flow statement:-

Liabilities	1989 Rs.	1990 Rs.	Assets	1989 Rs.	1999 Rs.
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. From the following particulars ,prepare a production budget of sales corporation for the year ended on 30th June 2007:

Product	Sales(units) as per sales budget	Estimated stocks(units) 1-7-06 1-07-07	
A	1,50,000	14,000	15,000
B	1,00,000	5,000	4,500
C	70,000	8,000	8,000

24. A .G company furnished you the following related to the year 1996.

	First half of the year Rs.	Second half of the year Rs.
Sales	45,000	50,000
Total cost	40,000	43,000

Assuming that there is no change in prices and variable cost and that the fixed expenses are incurred equally in the 2 half year periods, calculate for the year 1996:

a) The profit volume ratio
b) Fixed expenses
c) Break Even sales
d) % of margin of safety.