

**B.Com DEGREE EXAMINATION, APRIL 2020**  
**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. List out the Tools of Financial Statement Analysis.
3. Explain the meaning of 'Trend Analysis' of Financial Statement.
4. Calculate Labour Cost and Rate variance from the following data:
 

Standard hours	:	80
Rate	:	Rs.6 per hour
Actual hours	:	100
Rate	:	Rs.8 per hour
5. Calculate Material Price Variance from the following :
 

Standard	:	2,740 units at Rs.15 each
Actual	:	3,000 units at Rs.17 each
6. What are the steps involved in 'Ratio Analysis' ?
7. Find out Earnings per Share (EPS) from the following
 

	Rs.
Net profit per Tax	2,00,000
10% Preference share capital	4,00,000
Equity share capital (Rs.100 each)	10,00,000
8. What do you understand by 'Gross working capital' and 'net working capital' ?
9. Find out the amount of Transfer to Reserve from P&L A/c :
 

	Rs.
Balance of Reserves on 1-1-07	4,60,000
Reserves used for redemption of Preference Shares	1,30,000
Balance of Reserves on 31-12-07	4,30,000
10. Ascertain provision made for Tax during 2006 – 07.
 

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

11. Prepare Production Budget for the Quarter ending 31st March 2004 :

	Tons.
Budgeted Sales for the Quarter	40,000
Stock on 31st Dec.2003	8,000
Required stock on 31st March 2004	10,000

12. Ascertain contribution :

	Rs.
Prime Cost	40,000
Variable overheads	20,000
Fixed overheads	30,000
Sales	90,000

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

Answer any **FIVE** questions

13. What are the objectives of Management Accounting?

14. From the given particulars find out the following variances :

- a) Material Variance b) Material usage variance c) Material cost variance

Quantity of material purchased	-	3,000 units
Values of materials purchased	-	Rs.9,000

Standard quantity of material required per tonne of finished product is 30 units

Standard rate of material	:	Rs.2.50 per unit
Opening stock of material	:	Nil
Closing stock of material	:	500 units
Finished production during the year	:	80 tonnes

15. Calculate the debtors turnover ratio from the following :

	Rs.
Total Sales for the year 1987	1,00,000
Cash Sales for the year 1987	20,000
Debtors as on 1-1-1987	10,000
Debtors as on 31-12-1987	15,000
Bills receivable as on 1-1-1987	7,500
Bills receivable as on 31-12-1987	12,500

16. What is 'Funds Flow Statement'? Explain its various uses.

17. From the following balances you are required to calculate cash from operations:

	31-12-2005	31-12-2006
	(Rs.)	(Rs.)
Debtors	50,000	47,000
Bills receivable	10,000	12,500
Creditors	20,000	25,000
Bills payable	8,000	6,000
Outstanding expenses	1,000	1,200
Prepaid expenses	800	700
Accrued income	600	750
Income received in advance	300	250
Profit made during the year	-	1,30,000

18. What are the Managerial applications / uses of Marginal costing?

19. The sales and profit for 1996 and 1997 are as follows :

	Sales	Profit
	Rs.	Rs.
1996	1,50,000	20,000
1997	1,70,000	25,000

Find out :

- P/V Ratio
- BEP
- Sales for a profit of Rs.40,000
- Profit for sales of Rs.2,50,000 and
- Margin of safety at a profit of Rs.50,000

### 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 data, calculate

- Gross profit ratio
- Net profit ratio
- Return on total assets
- Inventory turnover
- Working capital turnover
- Net worth of debt.

	Rs.
Sales	25,20,000
Cost of sales	19,20,000
Net profit	3,60,000
Inventory	8,00,000

Other current assets	7,60,000
Fixed assets	14,40,000
Net worth	15,00,000
Debt	9,00,000
Current Liabilities	6,00,000

22. From the following details calculate the cash from operations for the year 2007.

	31-12-06	31-12-07
	Rs.	Rs.
Goodwill	50,000	40,000
Provision for depreciation	75,000	80,000
P & L A/c balance(cr)	50,000	75,000
Bills receivable	45,000	35,000
Outstanding salaries	10,000	4,000
Prepaid insurance	3,000	3,500
Debtors	45,000	35,000

23. Prepare a production budget from the following information

Product	Estimated stock On 1-1-07 (units)	Estimated sales during Jan. to March 07 (units)	Desired Closing stock on 31-3-07 (units)
R	2,000	10,000	3,000
S	3,000	15,000	5,000
U	4,000	13,000	3,000
P	3,000	12,000	2,000