

**B.Com. (CS) DEGREE EXAMINATION, EVEN SEMESTER 2021**  
**III Year VI Semester**  
**Management Accounting**

Max Marks: 25

Answer any **Five** questions (5 \* 5 = 25) Marks

1. Explain the different tools & techniques used in financial statement analysis.
2. A manufacturing concern which has adopted standard costing furnishes the following information:  
 Standard: Materials for 70 Kgs of finished product:100 Kgs  
 Price of material – Re. 1 per Kg  
 Actual: Output -2,10,000 Kg  
 Material used -2,80,000 Kg  
 Cost of materials -Rs.2,52,000  
 Calculate (a) Material price variance (b)Material usage variance (c) Material cost variance.
3. What do you understand by Ratio Analysis ? Discuss its uses and limitations.
4. Following are the summarised Balance sheets of A & Co Ltd., as on 31.12.1999 and 2000.

Balance Sheets

<b>Liabilities</b>	<b>1999 (Rs.)</b>	<b>2000 (Rs.)</b>	<b>Assets</b>	<b>1999(Rs.)</b>	<b>2000 (Rs.)</b>
Share Capital	1,00,000	1,50,000	Land & Buildings	1,00,000	90,000
General reserve	50,000	60,000	Plant & Machinery	1,00,000	1,19,000
Profit & Loss A/c	30,500	30,000	Stock	50,000	24,000
Bank Loan	70,000	-----	Debtors	75,000	63,000
Sundry creditors	50,000	37,200	Cash	500	1,200
Provision for tax	32,000	35,000	Bank	2,000	15,000
			Goodwill	5,000	
	<b>3,32,500</b>	<b>3,12,200</b>		<b>3,32,500</b>	<b>3,12,200</b>

Additional Information:

- A. Dividend of Rs.23,000 was paid during 2000
- B. Depreciation written off on building Rs.10,000 & Machinery Rs.14,000
- C. Income tax paid during the year ended 31.12.2000 Rs.28,000.

Prepare a Funds flow statement.

5. Following are the summarised Balance sheets of Arul Ltd., as on 31.12.2005 and 2006.

**Balance Sheets**

<b>Liabilities</b>	<b>2005(Rs.)</b>	<b>2006(Rs.)</b>	<b>Assets</b>	<b>2005(Rs.)</b>	<b>2006(Rs.)</b>
Share capital	10,000	10,000	Goodwill	1,200	1,000
General reserve	1,400	1,800	Land	4,000	3,600
P& L A/c	1,600	1,300	Building	3,700	3,600
Creditors	800	540	Investments	1,000	1,300
Outstanding expenses	120	80	Inventories	3,000	2,340
Provision for taxation	1,600	1,800	Accounts receivable	2,000	2,220
Provision for bad debts	40	60	Bank balance	660	1,520
	<b>15,560</b>	<b>15,580</b>		<b>15,560</b>	<b>15,580</b>

Additional Information:

- (a) A piece of land has been sold for Rs.400
  - (b) Depreciation amounting to Rs.1,700 has been charged on buildings.
  - (c) Provision for taxation has been made for Rs.1,500 during the year.
6. Draw up a flexible budget for production at 75 % and 100% capacity on the basis of the following data for a 50% capacity.

<b>Particulars</b>	<b>Rs.</b>
Materials	100
Labour	50
Variable expenses (direct)	10
Administrative expenses ( 50% fixed)	40,000
Selling & distribution expenses (60 % fixed)	50,000
Present production ( 50% capacity)	1,000 units

7. Calculate
- (a) Break even point in volume & value
  - (b) Sales required to earn a profit of Rs.60,000.
  - (c) Sales required to earn a profit of 10% on sales. from the following data.
- |                             |                        |
|-----------------------------|------------------------|
| Sales price                 | -Rs.20 / unit          |
| Variable manufacturing cost | -Rs.11/unit            |
| Fixed factory overheads     | - Rs.5,40,000 per year |
| Fixed selling costs         | - Rs.2,52,000 per year |