

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

Max Marks: 25

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

1. Define Management Accounting and its functions.
2. Compute the Trend Analysis from the following figures of Jai Ltd taking 2004 as the base year and comment thereon.

Year	Sales	Stock	Profit before tax
2004	1,80,000	70,000	32,000
2005	2,30,000	78,000	43,500
2006	2,65,000	81,500	45,700
2007	3,02,000	94,400	52,700
2008	3,76,000	1,15,000	67,300

3. From the following details, Prepare statement of proprietary funds with as many details as possible.

- i. Stock velocity - 6
- ii. Capital turnover ratio - 2
- iii. Fixed assets turnover ratio - 4
- iv. Gross profit turnover ratio - 20%
- v. Debtors velocity - 2 months
- vi. Creditors velocity - 73 days

The gross profit was Rs. 60,000. Reserves and surplus amount to rest 20,000. Closing stock was Rs.5, 000 in excess of opening stock

4. From the following balance sheets of A Ltd., as on 31stdecember 2005 and 2006 you are required to Prepare Funds from Operations.

Balance sheets

Liabilities	2005 Rs.	2006 Rs.	Assets	2005 Rs.	2006 Rs.
Share capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General reserve	14,000	18,000	Building	40,000	36,000
P&L A/C	16,000	13,000	Plant	37,000	36,000
Sundry creditors	8,000	5,400	Investments	10,000	11,000
Bills payable	1,200	800	Stock	30,000	23,400
Provision for taxation	16,000	18,000	Bills receivable	2000	3,200
Provision for doubtful debts	400	600	Debtors	18,000	19,000
			Cash at bank	6,600	15,200
	1,55,600	1,55,800		1,55,600	1,55,800

Additional information is given:

- i. Depreciation: Plant - Rs.4,000
Building - Rs.4,000
- ii. Provision for taxation of Rs.19,000 was made during the year 2006
- iii. Interim dividend of Rs.8,000 was paid during the year 2006.

5. Distinguish between funds flow and cash flow.

6. A firm expects to have ₹ 25,000 in bank on 1st May 2020 and requires you to Prepare an estimate of Cash Position during the 3 months May-July 2002. The following information is made available:

Month	Sales ₹	Purchases ₹	Wages ₹	Factory Expenses ₹	Office Expenses ₹	Selling Expenses ₹
March	50,000	30,000	6,000	5,000	4,000	3,000
April	56,000	32,000	6,500	5,500	4,000	3,000
May	60,000	35,000	7,000	6,000	4,000	3,500
June	80,000	40,000	9,000	7,500	4,000	4,500
July	90,000	40,000	9,500	8,000	4,000	4,500

Other information:

- i. 20 percent of sales is for cash: remaining amount is collected in the month following that of sale.
 - ii. Suppliers supply goods at 2 months credit.
 - iii. All expenses are paid in the month following the one in which they are incurred.
 - iv. The company pays dividends to shareholders and bonus for workers of ₹ 10,000 and ₹ 15,000 respectively in the month of May.
 - v. Plant has been ordered and is expected to be received in June. It will cost ₹ 80,000
 - vi. Income tax ₹ 25,000 is payable in July.
7. A project requires an investment of ₹ 5,00,000 and has a scrap value of ₹ 20,000 after 5 years. It is expected to yield profits after tax and depreciation during the five years amounting to ₹ 40,000, ₹ 60,000, ₹ 70,000, ₹ 50,000 and ₹ 20,000. Compute the Average rate of Return on Investment.