

**SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN
(AUTONOMOUS)
(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)
Chromepet, Chennai — 600 044.
B.Com. END SEMESTER EXAMINATIONS APRIL-2022
SEMESTER - V
18UCOCT5A16 - Management Accounting**

Total Duration : 3 Hrs.

Total Marks : 60

Section A

Answer any **SIX** questions ($6 \times 5 = 30$ Marks)

1. Explain the nature of financial statements.
2. From the following information, interpret the results of operation of a manufacturing concern, using trend percentages.

Particulars	2012	2013	2014	2015
Sales	1,300	1,200	950	1,000
Cost of goods sold	728	696	589	600
Gross profit	572	504	361	400
Selling expenses	120	110	97	100
Net operating profit	452	394	264	300

3. Data relating to a job are thus:

Standard rate of wages per hour	Rs.10
Standard hours	300
Actual rate of wages per hour	Rs.12
Actual hours	200

You are required to calculate :

- a) Labour cost variance
 - b) Labour rate variance and
 - c) Labour efficiency variance.
4. From the following calculate:
a) Current assets b) Current liabilities c) Liquid assets d) Inventory.
Current Ratio 3.5
Liquid Ratio 2.5
Working Capital Rs.1,00,000.
 5. Explain briefly the steps to be followed in preparing a fund flow statement.

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6. From the following calculate cash from operations:

Particulars	31.12.20	31.12.21
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
Incomes received in advance	300	250
Profit made during the year	—	1,30,000

7. For the production of 10,000 units to a factory are furnished below:

Particulars	Per Unit (Rs.)
Materials	70
Labour	25
Variable overheads	20
Fixed overheads (Rs. 1,00,000)	10
Direct variable expenses	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administrative expenses (Rs.50,000)	5
Total Cost	155

Prepare the flexible budget for the production of 8,000 units and 6,000 units.

8. Following details are given:

Year	Sales (Rs.)	Profit (Rs.)
2020	10,00,000	2,00,000
2021	15,00,000	4,00,000

Calculate (i) P/V ratio; (ii) Fixed cost; (iii) BEP (value); (iv) profit on sale of Rs.20,00,000; (v) Sales required to make a profit of Rs.6,00,000; (vi) Margin of Safety.

Section B

Answer any **THREE** questions ($3 \times 10 = 30$ Marks)

9. How does management accounting differ from financial accounting?

10. Calculate : (i) DMCV; (ii) DMPV; (iii) DMUV; (iv)DMMV; from the following information of product No. 123;

Material	Std Qty (kg)	Std Price	Actual Qty (kg)	Actual Price
X	20	5	24	4
Y	16	4	14	4.5
Z	12	3	10	3.25

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11. From the following information, prepare balance sheet of Natarajan Ltd. When sales are Rs.36,00,000.

Sales/total assets	3
Sales/fixed assets	5
Sales/current assets	7.5
Sales/stock	20
Sales/debtors	15
Current ratio	2
Total assets/net worth	2.5
Longterm debt/equity	1

12. Prepare cash flow statement from the following balance sheet and additional information of Mr.John.

Liabilities	1999 (Rs.)	2000 (Rs.)	Assets	1999 (Rs.)	2000 (Rs.)
Loan from SFC	Nil	30,000	Machinery	35,000	20,000
Bank overdraft	60,000	96,000	Inventories	40,000	58,000
Creditors	42,000	60,000	Debtors	30,000	40,000
Outstanding expenses	8,000	13,000	Cash	15,000	22,000
	1,90,000	2,40,000		1,90,000	2,40,000

Additional information:

During the year 2000, Mr.John sold a machine costing Rs.11,000 (accumulated depreciation Rs.3,000). The accumulated depreciation on machinery was Rs.8,000 on 31.12.1999 and Rs.12,000 on 31.12.2000.

Profit and loss account showed a net loss of Rs.24,000 for the year 2000.

13. A firm expects to have Rs.30,000 on 1st may 2021 and requires you to prepare an estimate of the cash position during the 3 months May to July 2021. The following information is supplied to you.

Month	Sales	Purchases	Wages	Factory Expenses	Office Expenses	Selling Expenses
March	40,000	24,000	6,000	3,000	4,000	3,000
April	46,000	28,000	6,500	3,500	4,000	3,500
May	50,000	32,000	6,500	4,000	4,000	3,500
June	72,000	36,000	7,000	4,400	4,000	4,000
July	84,000	40,000	7,250	4,250	4,000	4,000

Other information:

- 25% of the sale is for cash, remaining amount is collected in the month following that of sale;
- Suppliers supply goods on two months credit;

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- c. Delay in payment of wages and all other expenses in one month;
 - d. Income tax of Rs.10,000 is due to be paid in July;
 - e. Preference share dividend at 10% on Rs.1,00,000 is to be paid in May.
- Prepare cash budget from the following information.
