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.
M.Com.(CS) END SEMESTER EXAMINATIONS APRIL - 2022
SEMESTER - III
19PMCCE3002 - Management Accounting

Total Duration : 3 Hrs. **Total Marks : 60**

Section A

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

1. Define Management Accounting also enumerate two prominent functions.
2. Discuss the nature and objectives of financial statements.
3. State and explain how accounting ratios are classified.
4. Prepare a common size balance sheet of MNM Limited from the following data:

Particulars	31^{st} **March, 2020**	31^{st} **March, 2019**
Share capital	8,00,000	6,00,000
Reserves and Surplus	3,50,000	2,50,000
10%Debentures	4,00,000	3,00,000
Trade Payables	50,000	50,000
Trade Receivables	4,00,000	2,00,000
Cash and Bank Balances	2,00,000	2,00,000
Land and Building	10,00,000	8,00,000

5. From the Figures Calculate Cash from Operations:

Particulars	**As on** 31^{st} **Dec 2015**	**As on** 31^{st} **Dec 2016**
Trade Debtors	1,50,000	1,30,000
Bills Receivable	50,000	40,000
Stock in Trade	1,20,000	1,45,000
Prepaid Expenses	30,000	25,000
Accrued Income	20,000	27,500
Sundry Creditors	80,000	1,10,000
Outstanding Expenses	4,000	5,000
Bills Payable	30,000	25,000
Income Received in Advance	3,000	4,000
Profit made during the year	-	7,50,000

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6. Prepare a Production Budget for three months ended March 31, on the basis of the following information:

Product	Stock on Jan.1, 2018 (units)	Sales during Jan. March, 2018 (units)	Desired Closing Stock on March 31, 2018 (units)
A	2,000	10,000	3,000
B	3,000	15,000	5,000
C	4,000	13,000	3,000
D	3,000	12,000	2,000

7. Calculate the discounted Pay back Period from the details given below:

   Cost of Project Rs.6,00,000; Life of the project 5 Years; Annual Cash inflow Rs.2,00,000;

Year	1	2	3	4	5
Discounting Factor	0.909	0.826	0.751	0.683	0.621

8. Maxi Manufacturers Ltd., has supplied you the following information in respect of one of its products.

Total Fixed Costs	18,000
Total Variable Costs	30,000
Total Sales	60,000
Units Sold	20,000

   Find out (a) contribution per unit, (b) break-even point, (c) margin of safety, (d) profit, and (e) volume of sales to earn a profit of Rs. 24,000

Section B

Part A

Answer any **TWO** questions $(2 \times 10 = 20$ Marks)

9. Discuss the scope and functions of Management Accounting.

10. Calculate Following Ratios from the balance sheet given below:

    a) Current Ratio b) Liquid Ratio c) Proprietary Ratio d) Capital Gearing Ratio e) Debt Equity Ratio

Liabilities	Amount	Assets	Amount
Equity Share Capital	2,00,000	Machinery	5,92000
12% Preference share capital	3,60,000	Investment	2,24000
General Reserve	1,40,000	Stock	2,02,000
16% debentures	2,40,000	Bills Receivable	40,000
Trade payable	2,44,000	Sundry Debtors	98,000
Bank overdraft	40,000	Cash and Bank	76,000
Provision for Income Tax	36,000	Profit & Loss A/c	28,000
	12,60,000		**12,60,000**

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11. From the Balance Sheets of A Ltd., make out:
    (i) Statement of Changes in the Working Capital
    (ii) Funds Flow Statement.

BALANCE SHEET

Liabilities	31st March.		Assets	31st March	
	2015	**2016**		**2015**	**2016**
Equity Share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
12% Redeemable Pref. Share Capital	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
Profit & Loss A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividends	42,000	50,000	Stock	77,000	1.09.000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for Taxation	40,000	50,000	Cash at bank	10,000	8,000
	6,77,000	**8,17,000**		**6,77,000**	**8,17,000**

Following is the additional information available:

a) Depreciation of Rs.10,000 and Rs.20,000 have been charged on Plant and Land Building respectively in 2016.

b) An interim dividend of Rs.20,000 has been paid in 2016.

c) Income tax of Rs.35,000 has been paid in 2016.

12. From the following data, calculate:
    a) Break-even point expressed in amount of sales in rupees.
    b) Number of units that must be sold to earn a profit of Rs.60,000 per year.
    c) How many units must be sold to earn a net income of 10% of sales?

Selling price 20 per unit.
Variable manufacturing costs 11 per unit.
Variable selling costs 3 per unit.
Fixed factory overheads 5,40,000 per year.
Fixed selling costs 2,52,000 per year.

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Part B

Compulsory question $(1 \times 10 = 10$ Marks)

13. The expenses for budgeted production of 10,000 units in a factory are furnished below:

	Per unit (Rs.)
Materials	70
Labour	25
Variable Overhead	20
Fixed Overhead (Rs.1,00,000)	10
Variable Expenses (Direct)	5
Selling Expenses (10% Fixed)	13
Distribution Expenses (20% Fixed)	7
Administration Expenses (Rs.50,000)	5
Total Cost per unit (to make and sell)	155

Prepare a budget for production of:
(a) 8,000 units, (b) 6,000 units and (c) indicate cost per unit at both the levels.
Assume that administration expenses are fixed for all levels of production.

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