

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 NOVEMBER-2022
SEMESTER - V
20UCOCT5015 - Management Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section A

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

1. Explain the Scope of Management Accounting.
2. From the following details calculate operating ratio and operating profit ratio

	Rs.
Sales	10,00,000
Gross profit	3,00,000
Administrative expenses	10,000
Selling expenses	20,000
Loss on sale of plant	2,000
Dividend received	4,000
Depreciation	6,000
Net profit	2,66,000

3. From the following Profit and Loss account, calculate Cash from Operations
 Profit and Loss Account for the year ending 31st December 2000

	Rs.		Rs.
To Salaries	4,000	By Gross profit	25,000
To Rent	2,000	By Profit on sale of land	4,000
To Depreciation	2,000	By Income tax refund	4,000
To Goodwill written off	3,000		
To Loss on sale of plant	2,000		
To Proposed dividend	6,000		
To Provision for taxation	4,000		
To Net Profit	10,000		
	33,000		33,000

4. Describe the advantages of budgetary control.
5. From the following particulars calculate
 - a) Labour Cost Variance and b) Labour Rate Variance

Standard Hours - 12,000 hours
 Standard Rate - Rs.5 per hour
 Actual Hours - 15,000 hours
 Actual Rate - Rs.6 per hour
6. Calculate the earnings per share from the following information

Net Profit before tax Rs.10,00,000
 Tax on profit 50%
 15% preference share capital (Rs.10 each)
 Equity share capital 4,700 shares of Rs.10 each Rs.4,70,000

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7. Illustrate the Sources and applications of funds.
8. From the following data, determine the break-even point

	Rs.
Fixed overhead	25,000
Variable cost	10 per unit
Selling price	15 per unit

What should be the sales volume to make a profit of Rs.25,000?

Section B

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

9. Distinguish between Management Accounting and Financial Accounting.
10. The standard cost of a certain drug is:
 40% of material X at Rs.20 per kg
 60% of Material Y at Rs.30 per kg
 Standard loss expected in production is 10%
 In a certain period 90 kg of Material X at Rs.18 per kg and 110 kg of material Y at Rs.34 per kg were used.
 Good production realised was 182 kg
 Calculate the different Material variance.

11. You are given the following information:

	Rs.
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

Calculate (a) Current ratio (b) Liquidity ratio (c) Absolute Liquidity ratio.

12. Balance Sheets of M/s. Black and White as on 1-1-2019 and 31-12-2019 were as follows

Liabilities	1-1-2019 Rs.	31-12-2019 Rs.	Assets	1-1-2019 Rs.	31-12-2019 Rs.
Creditors	40,000	44,000	Cash	10,000	7,000
Mrs.White's Loan	25,000	—	Debtors	30,000	50,000
Loan from Canara bank	40,000	50,000	Stock	35,000	25,000
Capital	1,25,000	1,53,000	Machinery	80,000	55,000
			Land	40,000	50,000
			Building	35,000	60,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year a machine costing Rs.10,000 (accumulated depreciation Rs.3,000) was sold for Rs.5,000. The provision for depreciation against machinery as on 1-1-2019 was Rs.25,000 and on 31-12-2019 Rs.40,000. Net Profit for the year 2019 amounted to Rs.45,000.

You are required to prepare funds flow statement.

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13. Draw up a flexible Budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90% plant capacity.

	At 70% capacity Rs.	At 80% capacity Rs.	At 90% capacity Rs.
Variable Overheads:			
Indirect Labour	-	12,000	-
Stores including spares	-	4,000	-
Semi – variable overheads:			
Power (30% Fixed, 70% variable)	-	20,000	-
Repairs and maintenance (60% fixed,40% variable)	-	2,000	-
Fixed overheads:			
Depreciation	-	11,000	-
Insurance	-	3,000	-
Salaries	-	10,000	-
Total overheads	-	<u>62,000</u>	-

Estimated direct labour hours: 1,24,000 hrs.
