

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-2023

SEMESTER - V

20UCOCT5015 - Management Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Calculate the trend percentages from the following figures of X Ltd., taking 2015 as the base.

Year	Sales	Stock	Profit before tax
2015	1,881	709	321
2016	2,340	781	435
2017	2,655	816	458
2018	3,021	944	527
2019	3,768	1,154	672

2. The standard material and standard cost per kg of material required for the production of one unit of Product 'A' is as follows:

Material - Rs.5 kgs.

Standard price - Rs.5 per kgs.

The actual production and related material data are as follows:

400 units of product 'A'

Material used 2,200 kgs

Price of the material per kg Rs.4.50

Calculate: a) Material cost variance b) Material usage variance c) Material price variance.

3. You are given the following information:

	Rs.
Cash	36,000
Debtors	2,84,000
stock	3,60,000
Bills payable	54,000
Creditors	1,00,000
Outstanding expenses	30,000
Tax payable	1,50,000

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

Contd...

4. From the following data you are required to calculate the cash generated from operations: Operating profit before working capital changes for the year 2018 Rs.84,000. Current assets and liabilities as on 01.01.2018 and 31.12.2018 were as follows:

Particulars	01.01.2018	31.12.2018
Trade creditors	1,82,000	1,94,000
Trade debtors	2,75,000	3,15,000
Bills receivable	40,000	35,000
Bills payable	27,000	31,000
Inventories	1,85,000	1,70,000
Short-term investments	40,000	70,000
Outstanding expenses	20,000	25,000
Prepaid expenses	5,000	8,000

5. Prepare production budget form, from the following information

Product	Opening stock (units)	Estimated sales (units)	Desired Closing Stock (units)
A	4,000	20,000	6,000
B	6,000	30,000	10,000
C	8,000	26,000	6,000
D	6,000	24,000	4,000

6. Compute from the following details,

- a) Current assets
- b) Current liabilities
- c) Liquid assets
- d) Stock

Current ratio: 2.5; Liquid ratio: 1.5; Working capital: Rs.90,000.

7. Prepare a budget with the following data for 60% activity and 80% capacity.

Production at 60% capacity	600 units
Materials	Rs.100 per unit
Labour	Rs.40 per unit
Direct expenses	Rs.10 per unit
Factory expenses	Rs.40,000 (40% fixed)
Administration expenses	Rs.30,000 (60% fixed)

8. How does management accounting differ from financial accounting?

Section C

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

9. Kamal & co., Ltd. has furnished its Balance Sheet for the years 2017 & 2018. Prepare a comparative balance sheet for those years.

Liabilities	2017 (Rs.)	2018 (Rs.)	Assets	2017 (Rs.)	2018 (Rs.)
Equity share capital	80,000	80,000	Land & Buildings	80,000	74,000
8% Debentures	80,000	90,000	Plant & Machinery	60,000	54,000
Retained Earnings	40,000	49,000	Furniture	20,000	28,000
Sundry creditors	50,000	70,000	Inventory	40,000	60,000
Bills payable	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
	2,60,000	3,04,000		2,60,000	3,04,000

10. What are the uses and limitations of Ratio Analysis?
11. Prepare cash budget from the Following budget data, at the end of April, May and June 2002

MONTHS	SALES (Rs.)	PURCHASES (Rs.)	WAGES (Rs.)	MISCELLANEOUS (Rs.)
February	1,20,000	84,000	10,000	7,000
March	1,30,000	1,00,000	12,000	8,000
April	80,000	1,04,000	8,000	6,000
May	1,16,000	1,06,000	10,000	12,000
June	88,000	80,000	8,000	6,000

ADDITIONAL INFORMATION:

Sales: 20% realized in the month of Sales, discount allowed 2%. Balance realized equally in two subsequent months.

Purchases: These are paid in the month following the month of supply.

Wages : 25% paid in arrears following month.

Miscellaneous expenses : Paid a month in arrear.

Rent : Rs.1,000 per month paid quarterly in advance due in April

Income-Tax: First instalment of advance tax Rs.25,000 due on or before 15th June.

Income from investments : Rs.5,000 received quarterly, in April July, etc.,

Cash in hand : Rs.5,000 on 1st April 2002.

Contd...

12. From the following data, the summarized Balance Sheets of Arul Ltd. as on 31st December 2015 and 2016.

Balance sheets

Liabilities	2015	2016	Assets	2015	2016
Share capital	1,00,000	1,50,000	Land & Building	1,00,000	90,000
General reserve	50,000	60,000	Plant & Machinery	1,00,000	1,19,000
P & L A/c	30,500	30,000	Stock	50,000	24,000
Bank loan	70,000	-	Debtors	75,000	63,200
Sundry creditors	50,000	37,200	Cash	500	1,000
Provision for	32,000	35,000	Bank	2,000	15,000
taxation			Goodwill	5,000	-
	3,32,500	3,12,200		3,32,500	3,12,200

Additional information:

During the year ended 31st December 2016

- a) Dividend of Rs.23,000 was paid
- b) Depreciation written off on Building Rs.10,000, Machinery Rs.14,000
- c) Income tax paid during the year Rs.28,000

Prepare a statement of cash flow for the year ended 31.12.2016.

13. a) Calculate labour rate variance from the following:

Standard: 40 workers to work for 8 hours per day in a five day week and get paid at Rs.10 per hour.

Actual : 43 workers worked on average 9 hours per day in the five day week and were paid at Rs.11 per hour on average.

b) In a factory the standard rate per labour hour is fixed at Rs.20. During the month of March 2009:

80,000 hours of labour were recorded and were paid as follows:

25,000 hours	@Rs.20 per hour
30,000 hours	@Rs.23 per hour
25,000 hours	@Rs.25 per hour

Calculate labour rate variance.

- c) Standard: 40 men @Rs.25 per hour
- 20 men @Rs.20 per hour

Standard working week: 8 hours per day for 5 days.

Actual: 35 men @Rs.26 per hour

28 men @Rs.19 per hour.

Compute labour rate variance.
