

**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 NOVEMBER - 2022

SEMESTER - III

21PMCET3002 - Management Accounting

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

Section A

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

1. What are the Limitations of Management Accounting?
2. From the following information presented, you are required to prepare a comparative statement and interpret the changes.

Particulars	31.3.05	31.3.06
Net Sales	20,00,000	25,00,000
Cost of sales	10,00,000	13,00,000
Operating expenses	5,00,000	4,00,000
Non-operating expenses	20,000	20,000

3. From the following P&L a/c, you are required to prepare cash from operations.
Profit and Loss account

Particulars	Rs.	Particulars	Rs.
To Rent	1,000	By Gross profit	25,000
To Salary	5,000	By Profit on sale of land	5,000
To Depreciation	2,000	By Income tax refund	3,000
To Loss on sale of plant	1,000		
To Goodwill written off	4,000		
To Proposed dividend	5,000		
To Provision for taxation	5,000		
To Net profit	10,000		
	33,000		33,000

4. The sales of a company are Rs.5,00,000, variable costs are Rs.3,00,000 and fixed costs are Rs.1,00,000. Ascertain: a) P/V Ratio b) Break Even Point (in rupees).

Contd...

5. Compute the debtor's turnover ratio and the average collection period from their books of accounts for 1993.

	Rs.
Total sales for the year	1, 00,000
Cash sales	20,000
Sales returns	7,000
Total debtors for sales (31.12.93)	9,000
Bills receivable as on 31 st Dec	2,000
Provision for doubtful debts	1,000
Trade creditors as on 31 st Dec.	10,000

6. Prepare the payback period for a project which requires a cash outlay of Rs.10,000 and generates cash inflows of Rs.2,000, Rs.4,000, Rs.3,000 and Rs.2,000 in the first, second, third and fourth year respectively.
7. From the following particulars compute
- Contribution
 - Profit volume ratio
 - Breakeven point
 - No. of units that must be sold to earn a profit of Rs.60,000 per year.

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

8. T.N.A. Ltd., plans to sell 1,10,000 units of certain product line in the first fiscal quarter, 1,20,000 units in the second quarter, 1,30,000 units in the third quarter, 1,50,000 units in the fourth quarter and 1,40,000 units in the fifth quarter. At the beginning of the first quarter of the current year, there are 14,000 units of product in stock. At the end of each quarter, the company plans to have an inventory equal to one-fifth of the sales for the next fiscal quarter. Ascertain, how many units must be manufactured in each quarter of the current year?

Contd...

SEMESTER - III
21PMCET3002 - Management Accounting
Section B

Part A

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

9. "Management Accounting is accounting for effective management" explain the statement.
10. From the following information, you required to analyze and prepare a Balance sheet. Current ratio - 1.75, liquid ratio -1.25, stock turnover ratio - 9 (cost of sales / closing stock), G.P.Ratio -25%. Debt collection period - 1.5 months. Reserve and surplus to capital -0.2. Turnover to fixed assets (cost of sales) - 1.2. Capital gearing ratio - 0.6. Fixed assets to Net worth - 1.25. Sales for the year Rs.12,00,000.
11. Bata Ltd., supplies you the following balance on 31st Dec. 2005 and 2006.

Liabilities	2005	2006	Assets	2005	2006
Share capital	70,000	74,000	Bank	9,000	7,800
Bonds	12,000	6,000	bills receivable	14,900	17,700
bills payable	10,360	11,840	inventories	49,200	42,700
provision for doubtful debts	700	800	Land	20,000	30,000
reserve and surplus	10,040	10,560	Good will	10,000	5,000
	1,03,100	1,03,200		1,03,100	1,03,200

Dividends was paid Rs.3,500. Land was purchased Rs.10,000. Rs.5,000 were written off on good will during the year. Bonds of Rs.6,000 were paid during the year. You are required to solve a cash flow statement.(AS – 3 Method)

12. Calculate:
 - a) Profit Volume Ratio.
 - b) Break - Even Point.
 - c) Profit when sales are Rs.1,00,000.
 - d) Sales required to earn a profit of Rs.20,000.

From the following information:

	Sales	Profit
Period I	1,20,000	9,000
Period II	1,40,000	13,000

Contd...

Part B

Compulsory question (1 × 10 = 10 Marks)

13. XYZ company wishes to arrange O.D. facilities with its bankers during the period April-June, when it will be manufacturing mostly for stock.

i) Determine a cash budget for the above period from the following data:

Month	Sales	Purchases	Wages
February	1,80,000	1,24,000	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

ii) 50% of credit sales is realized in the month of following the sale and the other 50% in the second month following. Creditors are paid in the month following the month of purchase.

iii) Wages are paid at the end of the respective month.

iv) Cash at bank – 1st April – Rs.25,000.
