

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.(A&F) END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - VI

**20UAFCT6017 - Management Accounting**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

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

1. Explain the scope of management accounting.
2. Enlist the various functions of management accounting.
3. From the following information, Calculate  
a) Current Ratio b) Liquid ratio c) Absolute liquid ratio

	Rs.		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		

4. State the importance and uses of Cash flow Analysis.
5. Prepare a production budget for 3 months ending 31.3.2022 for a factory producing four products.

Type of Product	Opening stock (units)	Sales (units)	Closing stock (units)
A	30,000	1,50,000	75,000
B	45,000	2,25,000	60,000
C	60,000	1,95,000	45,000
D	75,000	1,80,000	30,000

6. Calculate the cash from operations from the following:

Trading and Profit and Loss account for the year ending 31.3.2018

Particulars	Rs.	Particulars	Rs.
To Purchases	20,000	By Sales	30,000
To wages	5,000		
To Gross Profit c/d	5,000		
	<b>30,000</b>		<b>30,000</b>
To Salaries	1,000	By Gross Profit b/d	5,000
To Rent	1,000	By Profit on Sales of Building	5,000
To Depreciation on Plant	1,000		
To Loss on sale of Furniture	500		
To Goodwill written off	1,000		
To Net Profit	5,500		
	<b>10,000</b>		<b>10,000</b>

Contd...

7. A limited Company is considering in project requiring capital outlay if Rs.20,00,000 and yields annually a profit of Rs.3,00,000 after depreciation @ 12.5% but before tax of 50%. Calculate the Payback period.
8. ABC Ltd. is preparing to take up a project which will need an investment of Rs.40,000. The net income before depreciation and tax is estimated as follows:

**Years    Amount (Rs.)**

1	10,000
2	12,000
3	14,000
4	16,000
5	20,000

Depreciation is to be charged according to the straight line method. Tax rate is 50%. Calculate the Accounting rate of return.

### Section C

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

9. "The managerial objectives of accounting are to provide data to help the management in planning, decision-making, coordinating and controlling operations." Discuss.
10. The capital of Samy & Co Ltd. is as follows:

	<b>Rs.</b>
9% preference shares of Rs.10 each	3,00,000
Equity shares of Rs.10 each	8,00,000
	<hr/>
	11,00,000
	<hr/>

The accountant has ascertained the following:

Profit after tax at 60%	Rs.2,70,000
Depreciation	Rs.60,000
Equity dividend paid	20%
Reserves	Rs.77,000
Market price per equity share	Rs.40

Calculate

- Dividend yield on equity shares
- Cover for preference dividend
- Earnings per share
- Price Earning ratio
- Dividend pay out ratio
- Net cash inflow
- Book value per share

**SEMESTER - VI**  
**20UAFCT6017 - Management Accounting**

11. From the following information, calculate cash flow from operating activities

	<b>Rs.</b>
Total sales for the year	2,50,000
Total purchase for the year	2,00,000
Trade debtors as on 1.7.2022	12,000
Trade creditors as on 1.7.2022	14,500
Trade debtors as on 30.6.2023	20,800
Trade creditors as on 30.6.2023	21,600
Total operating expenses for the year	10,200
Outstanding expenses as on 1.7.2022	1,800
Prepaid expenses as on 1.7.2022	1,500
Outstanding expenses as on 30.6.2023	2,400
Prepaid expenses as on 30.6.2023	2,200
Income tax paid during the year	2,000

12. Prepare a flexible budget for overheads on the basis of following data. Ascertain overhead rates at 50%,60% and 70% capacity.

	<b>At 60% capacity</b>
<b>Variable overheads:</b>	<b>Rs.</b>
Indirect material	6,000
Indirect labour	18,000
 Semi-variable overheads:	
Electricity (40%fixed,60%variable)	30,000
Repairs (80% fixed, 20% variable)	3,000
 <b>Fixed overheads:</b>	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
 Total overheads	<hr/> 93,000
 Estimated direct labour hours	 1,86,000 hours.

**Contd...**

13. Kamala Ltd. is considering two projects. The data in respect of these two are given below:

	<b>Project M</b>	<b>Project F</b>
	<b>Rs.</b>	<b>Rs.</b>
Outlay at $t = 0$	20,000	1,00,000
Net Inflows:		
$t = 1$	10,000	20,000
$t = 2$	10,000	30,000
$t = 3$	6,000	50,000
$t = 4$	4,000	50,000
$t = 5$	3,000	42,000

Calculate:

- The payback period.
- The excess present value at 15%.
- The internal rate of return.

Also suggest which project should be selected by the firm.

\*\*\*\*\*