

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.(PA) END SEMESTER EXAMINATIONS APRIL-2023

SEMESTER - VI

19UPACT6017 - 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 Objectives of Management Accounting.
2. Discuss the advantages of Ratio Analysis.
3. Compute the trend percentage for the following:

Particulars	Years (Rs. in thousands)			
	1	2	3	4
Cash	200	400	500	450
Debtors	400	300	250	200
Stock	300	390	450	600

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. Compute a) P/V Ratio b) Break Even Point (in rupees).
5. From the given Balance Sheet, find out the cash flow Statement:

Liabilities	June 2012 (Rs.)	June 2013 (Rs.)	Assets	June 2012 (Rs.)	June 2013 (Rs.)
Share capital	8,000	8,500	Land	5,000	5,000
Retained earnings	1,450	2,450	Plant	2,400	3,400
Creditors	900	500	Debtors	1,650	1,950
Mortgage loan	-	500	Stock	900	700
			Cash	400	900
	10,350	11,950		10,350	11,950

6. Variable cost Rs.6,00,000; Fixed cost Rs.3,00,000; Profit Rs.1,00,000; Sales Rs.10,00,000.
Compute
 - a) P/V Ratio
 - b) Break even point
 - c) Profit when sales amounted to Rs.12,00,000
 - d) Sales required to earn a profit of Rs.2,00,000.

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7. A projects costs Rs.1,00,000 and yields an annual cash inflow of Rs.20,000 for 7 years. Compute payback period.
- 8.

Type of product	Estimated stock on 1.1.2006 units	Estimated sales during Jan-March 2020 units	Desired Closing stock on March 31, 2020 units
A	2,000	10,000	5,000
B	3,000	15,000	4,000
C	4,000	13,000	3,000
D	5,000	12,000	2,000

Solve a production budget for three months ending 31.03.2020 for a manufacturing unit producing four products, on the basis of the above information.

Section C

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

9. Compute the difference between Management Accounting and Financial Accounting.
10. From the following balance sheets relating to a trader, Compute a comparative Balance Sheet.

Balance Sheet as on 31.12.20 and 31.12.2021

Liabilities	31.12.20	31.12.21	Assets	31.12.20	31.12.21
Capital and Reserves	80,000	1,20,000	Current Assets	60,000	85,000
Long term Borrowings	40,000	40,000	Investments	20,000	15,000
Current Liabilities	30,000	40,000	Fixed assets	70,000	1,00,000
	1,50,000	2,00,000		1,50,000	2,00,000

11. From the following details given,
Ascertain
a) Current assets, b) Current liabilities, c) liquid assets and d) Stock.
Current ratio – 2.5; Liquid ratio – 1.5; working capital – Rs.90,000.
12. The management of the company finds that while the cost of making a component part is Rs.10, the same is available in the market at Rs.9 with an assurance of continuous supply. Give suggestion whether to make or buy this part.
Predict your views in case the supplier reduces the price from Rs.9 to Rs.8.

The cost information is as follows:

	Rs.
Material	3.50
Direct Labour	4.00
Other Variable Expenses	1.00
Fixed expenses	1.50
Total	10.00

13. Evaluate the cash budget for the month of June 2020:

a) Expected Sales

April - Rs.2,00,000	May - Rs.2,20,000	June - Rs.1,90,000
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Credit allowed to customers is two months and 50% of the sales of every month is on cash basis

b) Estimated Purchases

May - Rs.1,20,000	June - Rs.1,10,000	
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40% of the purchase of every month is on cash basis and balance is payable next month.

c) Rs.2,000 is payable as rent every month

d) Time lag in payment of Overhead is $\frac{1}{2}$ month.

Overhead : For May Rs.12,000. For June Rs.11,000

e) Depreciation for the year is Rs.12,000

f) Interest receivable on investment during June and December Rs.3,000 each.

g) Estimated cash balance as on 1.06.2020 is Rs.42,500.
