

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 -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. Explain Comparative Statement and Common Size Statement.
2. Compute Average Debt Collection Period (in Months and Days) from the following information:

	<b>Rs.</b>
Gross sales	1,42,000
Cash sales	28,000
Sales returns	14,000
Opening Debtors	15,000
Opening Bills receivable	5,000
Closing Debtors	26,000
Closing Bills receivable	4,000

3. Prepare a Statement showing funds from Operations:

	<b>Rs.</b>
Opening balance of Profit & Loss A/c	60,000
Closing balance of Profit & Loss A/c	30,000

The following items appeared in P & L A/c:

	<b>Rs.</b>
Interim dividend paid	20,000
Proposed dividend	30,000
Depreciation	50,000
preliminary expenses	1,000
Loss on Sale of Machinery	3,000
General Reserve	5,000
Sinking Fund	10,000
Salaries paid	3,000
Profit on Sale of Car	4,000
Tax paid	5,000

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4. The sales director of Pallavan Ltd., reports that next year he expects to sell 54,000 units of a certain product. The production manager consults his store keeper and casts his figures as given below:

Two kinds of raw materials A and B are required for manufacturing the product. Each unit of the product requires 2 Units of A and 3 Units of B.

The estimated opening balances at the commencement of the next year are:

Finished product – 10,000 Units; A – 12,000, B – 15,000 Units

The desirable closing balances at the end of the next year are:

Finished product – 14,000 Units; A – 13,000, B – 16,000 Units

Prepare a Quantitative chart showing the material budget for the next year.

5. Interpret the following statement:

‘Standard Costing is the most effective cost control system for manufacturing organisations’

6. Compute the value of Current Assets, Current Liabilities and Inventory from the following information:

Current Ratio: 3.5; Liquid Ratio: 2.5; Working Capital: Rs.1,00,000.

7. From the following balances, you are required to compute Cash from operating activities.

	31 – 12 – 2021 (Rs.)	31 – 12 – 2022 (Rs.)
Debtors	50,000	47,000
Bills receivable	10,000	12,500
Creditors	20,000	25,000
Bills payable	8,000	6,000
Outstanding expenses	1,000	1,200
Prepaid expenses	800	700
Accrued income	600	750
Income received in advance	300	250
Profit made during the year	-	1,30,000

8. From the following data, ascertain:

a) Profit Volume ratio

b) Sales required to Break Even

c) Sales required to earn a profit of Rs.1,60,000

Selling Price per Unit : Rs.40

Variable costs per unit:

Direct Materials: Rs.10, Direct Labour: Rs.7

Variable overheads – 100% of direct labour cost

Fixed expenses – Rs.64,000

**Section C**

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

9. Prepare a Common Size Balance Sheet from the following:

Particulars	A. B. Ltd., (Rs.)	S. R. Ltd., (Rs.)
Fixed Assets	40,000	5,00,000
Inventories	25,000	1,00,000
Receivables	20,000	2,00,000
Cash	15,000	2,00,000
Capital	30,000	3,00,000
Reserves	40,000	1,00,000
Loan (Long term)	20,000	2,00,000
Current Borrowings	10,000	4,00,000

10. From the following particulars, compute

- a) Material Price Variance
- b) Material Usage Variance
- c) Material Cost Variance

Materials purchased	3,000 Kgs at Rs.6 per kg
Standard quantity of material fixed for unit of finished product:	25 Kgs at Rs.4 per kg
Opening Stock of Material	Nil
Closing Stock of Material	500 Kgs
Actual output during the period	80 Units

11. The Capital of Everest C. Ltd., is as follows:

9% preference Shares of Rs.10 each : Rs.3,00,000

Equity Shares of Rs.10 each : Rs.8,00,000

The accountant has ascertained the following information:

Profit after tax at 60% : Rs.2,70,000

Depreciation : Rs.60,000

Equity Dividend paid : 20%

Market Price of Equity Shares : Rs.40

You are required to ascertain the following, showing the necessary workings:

- a) The dividend yield on Equity Shares.
- b) The cover for the preference and equity dividends
- c) The earnings per share
- d) The price earnings ratio

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12. From the following balance sheets as at 31.12.2019 and 31.12.2020, Prepare a Fund Flow statement:

**Balance Sheets**

<b>Liabilities</b>	<b>2019</b>	<b>2020</b>	<b>Assets</b>	<b>2019</b>	<b>2020</b>
Share Capital	5,00,000	6,00,000	Fixed Assets	5,00,000	6,50,000
Reserve	1,00,000	1,20,000	Stock	1,00,000	3,00,000
P & L A/c	50,000	80,000	Debtors	50,000	10,000
6% Debentures	1,00,000	1,40,000	Bills Receivable	80,000	-
Creditors	30,000	20,000	Bank	70,000	40,000
Provision for tax	20,000	40,000			
	<b>8,00,000</b>	<b>10,00,000</b>		<b>8,00,000</b>	<b>10,00,000</b>

Other information:

- a) During 2020, fixed assets [Book value Rs.10,000 and depreciation written off Rs.30,000] were sold for Rs.8,000
- b) 6% Debentures were issued at par.
- c) Income tax paid Rs.60,000
- d) Provision for depreciation, 31.12.2019 – Rs.1,00,000  
31.12.2020 – Rs.1,50,000

13. Distinguish Budget, Budgeting and Budgetary Control.

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