

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 -2024

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. Differentiate Management accounting and Financial accounting.
2. From the following data you are required to compute the cash from operations:
Funds from operation for the year 2022 Rs.84,000. Current assets and current liabilities as on 1-1-2022 and 31-12-2022 were as follows:

Particulars	1-1-22	31-12-22
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
Trade investments	40,000	70,000
Outstanding expenses	20,000	25,000
Prepaid expenses	5,000	8,000

3. You are required to prepare a production budget for the half year ending June 2022 from the following information.

Product	Budgeted sales quantity	Actual stock on 31-12-21	Desired stock on 30-6-22
P	20,000 units	4,000 units	5,000 units
Q	50,000 units	6,000 units	10,000 units

4. Compute the following two project on pay back period criterion and on post pay back profitability criterion:

Particulars	Project A	Project B
Original Investment	35,000	15,000
Annual cash inflows	15,000	7,500
Economic life of project	7 years	3 years

5. From the following details of trade you required to compute the stock turnover ratio
Sales : Rs.39,984
Sales return Rs.380
Opening stock at cost Rs.1,378
Closing stock at cost Rs.1,814
Total gross profit for the year Rs.8,068

Contd...

6. From the following Balance sheets of A Ltd., you are required to prepare a cash flow statement:

Liabilities	2021	2022	Assets	2021	2022
Share capital	4,00,000	5,00,000	Cash	60,000	94,000
Trade creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
P&L A/c	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	5,60,000	6,36,000		5,60,000	6,36,000

7. With the following data for 60% activity prepare a budget for 80% activity
 Materials : Rs.10 per unit
 Wages : Rs.6 per unit
 Factory overhead : Rs.6,000(20% Fixed)
 Admin overhead : Rs.2,400 (10% Variable)
 Assume that production at 60% activity is 240 units
8. A Company is considering investment of Rs.10,00,000 in a project. The following are the income forecasts after depreciation and tax.
 1st year loss Rs.1,00,000; 2nd year profit Rs.3,00,000; 3rd year profit Rs.4,00,000; 4th year profit Rs.2,00,000; 5th year profit Rs.2,00,000.
 Compute the accounting rate of return
 (a) On original investment method
 (b) On average investment method

Section C

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

9. Explain the function of Management accountant.
10. You are given the following information:
- | | 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 |
- Prepare (a) Current ratio (b) Liquidity ratio (c) Absolute liquidity ratio
11. The comparative balance sheet of Mr.R for the two years were as follows:

Liabilities	2021	2022	Assets	2021	2022
Capital	1,50,000	1,75,000	Land & Buildings	1,10,000	1,50,000
Loan from bank	1,60,000	1,00,000	Machinery	2,00,000	1,40,000
Creditors	90,000	1,00,000	Stock	50,000	45,000
Bills payable	50,000	40,000	Debtors	70,000	80,000
Loan from IFC	—	25,000	Cash	20,000	25,000
	4,50,000	4,40,000		4,50,000	4,40,000

Additional Information:

Net profit for the year 2022 amounted to Rs.60,000. During the year Machinery costing Rs.25,000 (accumulated depreciation Rs.10,000) was sold for Rs.13,000. The provision for depreciation against machinery as on 31-12-2021 was Rs.50,000 and on 31-12-2022 Rs.85,000. You are required to solve a cash flow statement.

12. XYZ company wishes to arrange O.D facilities with its banker during the period April –June when it will be manufacturing mostly for stock.

(i) Prepare cash budget for the above period from the following data

Months	Sales	Purchase	Wages
Feb	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	2,47,000	10,000
June	1,26,000	2,68,000	15,000

(ii) 50% of credit sales is realised in the month 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 respective month (iv) Cash at bank 1st April Rs.25,000.

13. Explain the Capital budgeting techniques.
