

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. CA - END SEMESTER EXAMINATIONS APRIL - 2024

SEMESTER - VI

21UCCCT6016 - Management Accounting

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

Section B

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

1. Bring out the limitations of Management accounting.
2. From the following Balance Sheets relating to a trader, prepare a Comparative Balance Sheet.

Balance Sheet as on 31.12.2022 and 31.12.2023

Liabilities	31.12.22	31.12.23	Assets	31.12.22	31.12.23
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

3. From the following information of good luck company prepare common size balance sheet for analysis.

Total assets Rs.4,00,000 out of which, fixed assets Rs.2,50,000
Capital and reserves amounted to Rs.2,00,000 and
Long term liabilities amount to Rs.1,50,000

4. Calculate Gross Profit Ratio.

Sales	2,20,000
Sales Return	20,000
Opening Stock	30,000
Purchases	1,75,000
Purchase Return	15,000
Closing Stock	40,000

5. From the following, you are required to calculate

a) Debtors turnover b) Average age of debtors

	1999	1998
	(Rs.)	(Rs.)
Net Sales	18,00,000	15,00,000
Debtors (Beginning of the year)	1,72,000	1,60,000
Debtors (End of the year)	2,34,000	1,72,000

6. From the following summarized balance sheets of Shree Krishna Ltd., Prepare a Schedule of Changes in working capital and a statement of sources and application of funds.

Liabilities	2022	2023	Assets	2022	2023
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
Share Capital	4,00,000	5,75,000	Plant	75,000	1,00,000
Creditors	1,06,000	70,000	Stock	1,21,000	1,36,000
Profit & Loss A/c	14,000	31,000	Debtors	1,81,000	1,70,000
			Cash	1,43,000	2,70,000
	5,20,000	6,76,000		5,20,000	6,76,000

Contd...

7. Compare fund flow statement and cash flow statement.
8. Larsen Ltd., plans to sell 1,10,000 units of a certain product line in the first quarter, 1,20,000 units in the second quarter, 1,30,000 in the third quarter and 1,50,000 units in the fourth quarter and 1,40,000 units in the first quarter of the following year. 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 of each quarter, the company plans to have an inventory equal to one – fifth of the sales for the next fiscal quarter. How many units must be manufactured in each quarter of the current year.

Section C

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

9. Following is the Balance Sheets of X Ltd., and Y Ltd., as on 31.3.2022. Prepare a common size Balance Sheet and give your comments.

Balance Sheet

Liabilities	X Ltd.,	Y Ltd.,	Assets	X Ltd.,	Y Ltd.,
Equity Share Capital	2,00,000	3,00,000	Goodwill	1,00,000	50,000
Preference Share Capital	1,00,000	2,00,000	Plant & Machine	3,20,000	4,00,000
Profit and Loss A/c	50,000	40,000	Patents	50,000	80,000
Debentures	1,50,000	2,00,000	Furniture	40,000	75,000
Sundry Creditors	40,000	80,000	Stock	1,60,000	1,25,000
Income tax payable	80,000	50,000	Debtors	50,000	1,80,000
Long term loan	1,80,000	1,30,000	Bank	80,000	90,000
	8,00,000	10,00,000		8,00,000	10,00,000

10. The following figures relate to Nirma Traders Ltd., for the year ended 31st March 2018.

Trading, Profit and Loss account

	Rs.		Rs.
To Opening Stock	75,000	By Sales	5,20,000
To Purchases	3,25,000	(-) Return	20,000
To Gross Profit	2,00,000	By Closing Stock	1,00,000
	6,00,000		6,00,000
To operating Expenses:		By Gross Profit	2,00,000
Administrative Expense	40,000	By Non-Operating Income:	
Selling & Distribution	25,000	Dividend	9,000
To Non-Operating Expenses:		Profit on sale of Shares	11,000
To Loss on sale of assets	5,000		20,000
To Net Profit	1,50,000		
	2,20,000		2,20,000

Balance sheet as on 31.12.2018

Liabilities	Rs.	Assets	Rs.
Issued Capital: 2000 Equity Shares of Rs.100 each	2,00,000	Land and Building	1,50,000
Reserves	90,000	Plant & Machinery	80,000
Current Liabilities	1,50,000	Stock	1,00,000
Profit & Loss A/c	60,000	Debtors	1,40,000
		Cash and Bank	30,000
	5,00,000		5,00,000

Calculate

- a) Gross Profit Ratio

Contd...

- b) Operating Profit Ratio
- c) Operating Profit Ratio
- d) Net Profit Ratio
- e) Expenses Ratio
- f) Stock turnover Ratio
- g) Return on total Resources
- h) Turnover of Fixed assets
- i) Turnover to Total assets.

11. The Following are the summarized Balance sheet of ITC Ltd., as at 31.12.17 and 2018.

Liabilities	2017 (Rs.)	Assets	2017 (Rs.)
Share Capital	4,50,000	Fixed Assets	4,00,000
General Reserve	3,00,000	Investments	50,000
Profit & Loss A/c	56,000	Stock	2,40,000
Sundry Creditors	1,68,000	Sundry Debtors	2,10,000
Provision for Taxation	75,000	Bank	1,49,000
	10,49,000		10,49,000

Liabilities	2018 (Rs.)	Assets	2018 (Rs.)
Share Capital	4,50,000	Fixed Assets	3,20,000
General Reserve	3,10,000	Investments	60,000
Profit & Loss A/c	68,000	Stock	2,10,000
Mortgage Loan	2,70,000	Sundry Debtors	4,55,000
Sundry Creditors	1,34,000	Bank	1, 97,000
Provision for Taxation	10,000		
	12,42,000		12,42,000

Additional Information:

- a) Investments costing Rs.8,000 were sold during the year for Rs.8,500 and further were purchased during the year for Rs.18,000.
- b) The Net profit for the year was Rs.62,000 after charging depreciation on fixed assets Rs.70,000 and Provision for taxation Rs.10,000.
- c) During the year part of fixed assets costing Rs.10,000 was disposed for Rs.12,000 and the profit is included in the Profit & Loss account.
- d) Dividend paid during the year amounted to Rs.40,000.

Prepare a Statement of sources and application of funds for the year ended 31.03.2018.

12. A firm expects to have Rs.30,000 on 1st May 2006 and requires you to prepare cash budget during the 3 months May to July 2006.

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Factory expenses (Rs.)	Office expenses (Rs.)	Selling expenses (Rs.)
March	40,000	24,000	6,000	3,000	4,000	3,000
April	46,000	28,000	6,500	3,500	4,000	3,500
May	50,000	32,000	6,500	4,000	4,000	3,500
June	72,000	36,000	7,000	4,400	4,000	4,000
July	84,000	40,000	7,250	4,250	4,000	4,000

Contd...

Other information:

- (i) 25% of the sale is for cash, remaining amount is collected in the month following that of sale.
- (ii) Suppliers supply goods on two months credit
- (iii) Delay in payment of wages and all other expenses one month
- (iv) Income tax of Rs.10,000 is due to be paid in July
- (v) Preference share dividend of 10% on Rs.1,00,000 is to be paid in May.

13. Differentiate between Management Accounting and Cost Accounting.
