

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. CS - END SEMESTER EXAMINATIONS - NOV'2024
SEMESTER - VI

21UBCCT6017 - Management Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. What is the scope of Management Accounting?
2. Explain the classification of cash flow. Give some example.
3. The following information at 50% capacity is given. Prepare a flexible budget and forecast the profit or loss at 60%, 70% and 90% capacity.

Particulars	Expenses at 50% capacity (Rs.)
Fixed Expenses:	
Salaries	50,000
Rent and Taxes	40,000
Depreciation	60,000
Administrative Expenses	70,000
Variables Expenses:	
Material	2,00,000
Labour	2,50,000
Others	40,000
Semi-variable Expenses:	
Repairs	1,00,000
Indirect Labour	1,50,000
Others	90,000

It is estimated that fixed expenses will remain constant at all capacities. Semi-variable expenses will not change between 45% and 60% capacity, will rise by 10% between 60% and 75% capacity, a further increase of 5% when capacity crosses 75%.

Estimated sales at various levels of capacity are:

Capacity	Sales (Rs.)
60%	11,00,000
70%	13,00,000
90%	15,00,000

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4. From the following data, you are required to calculate break even point and net sales value at this point.

Particulars	Rs.
Direct material cost per unit	10
Direct labour cost per unit	5
Fixed overhead	50,000
Variable overheads @60%on direct labour	25
Selling price per unit	4%
Trade discount	

If sales are 10% and 25% above the break even volume, determine the net profits.

5. Calculate the rate of return on total assets from the following data of two companies:

	Go Slow Co.	Go Fast Co.
Sales	?	Rs.2,52,75,000
Total Assets	Rs.42,50,000	?
Net Profit on Sales	6%	4%
Turnover of Total Assets	6 times	6 times
Gross Margin	Rs.20,68,000	12%

6. The comparative Balance Sheets for X Ltd. Are given below:

Assets	31.03.2020 (Rs."000")	31.03.2021 (Rs."000")	Liabilities	31.03.2020 (Rs."000")	31.03.2021 (Rs."000")
Cash	82	22	Creditors	30	14
Debtors	104	24	Provision for Depreciation	100	60
Stock	112	60	Debentures	102	102
Prepaid expenses	22	14	Premium on Debenture Issues	12	18
Plant & Machinery	380	360	Share Capital	190	90
Good Will	36	40	Share Premium	30	-
			Reserve and Surplus	272	236
	736	520		736	520

The following additional information is available from the accounting records for 2021:

- Net Profit for the year Rs.66,000
 - Debenture Premium of Rs.6,000 was a mortised during the year.
- you are required to prepare a Cash Flow statement.

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7. Describe the procedures for preparing the sales, productions, materials budgets.
8. Explain the managerial applications of differential cost analysis.

Section C

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

9. Prepare comparative statements from the following data:

Income Statement	2022 Rs. (In Lakhs)	2023 Rs. (In Lakhs)
Net sales	600	750
Cost of goods sold	400	600
Administrative expenses	20	20
Selling expenses	10	10
Net profit	170	120

Balance sheets

Liabilities	₹	₹	Asset	₹	₹
Equity capital	400	400	Land	100	100
6% Preference share capital	300	300	Buildings	300	270
Reserves	200	245	Plant	300	270
6% Debentures	100	150	Furniture	100	140
Bills payable	50	75	Stock	200	300
Creditors	150	200	cash	?	?
Tax payable	100	150			
	1,300	1,520		1,300	1520

10. The following are the ratios relating to the activities of National Traders Limited:
 Stock Velocity: 6 Months
 Creditors Velocity: 2 months
 Debtors Velocity: 3 months
 Gross Profit Ratio: 25%
 Gross profit for the year ended 31st march 2023 amounts to Rs.4,00,000. Closing stock of the year is Rs.10,000 above the opening stock. Bills receivable amount to Rs.25,000 and bills payable to Rs.10,000. Find out:
 (a) Sales (b) Purchase (c) Sundry Creditors (d) Sundry Debtors
 (e) Closing Stock.

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11. The Balance Sheet of M/s. A & B on 31st March 23 and 31st March 2024 were as follows:

Liabilities	2023 (Rs.'000')	2024 (Rs.'000')	Assets	2023 (Rs.'000')	2024 (Rs.'000')
Creditors	120	132	Cash	30	21
Mrs. A,'s Loan	75	-	Debtors	90	150
Loan from Bank	120	150	Stock	105	75
Capital	375	4,59	Machinery	240	165
			Land	120	150
			Building	105	180
	690	741		690	741

During the year a machine costing Rs.30,000(accumulated depreciation Rs.9,000) was sold for Rs.15,000. The provision for depreciation against machinery as on 31st March 2023 was Rs.75,000 and on 31st March 2024 Rs.1,20,000. Net profit for the year ended 31st March 2024 amounted to Rs.1,35,000.

12. Explain in details the classification of Budgets accounting to (a) Time
(b) Functions and (c) Flexibility.
13. Comparison of Income and Reconciliation of profit under Absorption and Merging Costing. Give Examples.
