

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 - NOV'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. What are the differences between management accounting and financial accounting?
2. From the following profit and loss account of Veena Ltd., for the year ended 31st December 2019 and 2020, prepare comparative income statement for the year 2019 and 2020

Profit and loss account

Particulars	2004	2005	Particulars	2004	2005
To cost of Goods sold	600	750	By net sales	800	1,000
To Administrative Exp.	20	20			
To selling expenses	30	40			
To Net profit	150	190			
	800	1,000		800	1,000

3. Calculate the creditors turnover ratio and average payment period

Rs.

Credit purchase in 2020	1,00,000
Creditors on 1.1.2020	2,00,000
Creditors on 31-12-2020	1,00,000
Bills payable on 1-1-2020	4,000
Bills payable on 31-12-2020	6,000

4. Explain the advantages of cash flow statement.
5. Prepare a production budget for the half year ending June 2021 from the following information:
 - I. Product –S : budgeted sales quantity 20,000 units ; actual stock on 31-12-20 -4,000 units ; desired stock on 20-6-21 – 5,000 units
 - II. Product – T: budgeted sales quantity 50,000 units ; actual stock on 31-12-20 -6,000 units ; desired stock on 20-6-21 – 10,000 units

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6. 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

Calculate a) Current ratio b) Liquidity ratio c) Absolute liquidity ratio

7. Calculate the trend percentages from the following data taking 2021 as the base

Particulars	2021	2022
Working capital	100	140
Plant & Equipment	1,000	1,500
Long – term debt	1,456	2,800
Net tangible assets	5,616	9,975

8. With the following data for 60% activity, prepare a budget at 80% activity.

Production at 60% capacity	- 600 units
Materials	- Rs.100 per unit
Labour	- Rs.40 per unit
Direct expenses	- Rs.10 per unit
Factory expenses	- Rs.40,000 (40% fixed)
Administration expenses	- Rs.30,000 (60% fixed)

Section C

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

9. Explain the concept of funds flow statement and its importance.

10. The following are the balance sheets of “X” Ltd., and “Y” Ltd., as on 31st March 2023. prepare common size balance sheets.

Liabilities	X Ltd.,	Y Ltd.,	Assets	X Ltd.,	Y Ltd.,
Share capital	25,00,000	40,000	Fixed assets	60,00,000	80,000
Reserves	10,00,000	60,000	Stock	20,00,000	20,000
Debentures	40,00,000	-	Debtors	50,00,000	15,000
Loans	60,00,000	10,000	Bills receivable	10,00,000	10,000
Creditors	20,00,000	20,000	Bank	20,00,000	15,000
Bill payable	5,00,000	10,000			
	1,60,00,000	1,40,000		1,60,00,000	1,40,000

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11. The following figures relate to the trading activities of S.S.P Traders for the ended 30th June ,2024

Sales	5,20,000
Purchases	3,22,250
Closing stock	76,250
Opening stock	98,500
Sales returns	20,000
Selling and distribution Expenses:	
Salaries	15,300
Advertising	4,700
Travelling	2,000
Administrative expenses:	
Salaries	27,000
Rent	2,700
Postage	2,500
Depreciation	9,300
Other charges	16,500
Provision and taxation	40,000
Non- operating income:	
Dividend on shares	9,000
Profit on sale of shares	3,000
Non-operating expenses:	
Loss on the sales of assets	4,000

Calculate:

- (1) Gross profit ratio (2) Operating ratio (3) Operating profit ratio (4) Net profit ratio
12. XYZ Company wishes to arrange O.D. facilities with its bankers 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 (Rs.)	Purchases (Rs.)	Wages (Rs.)
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

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- (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 end of the respective month.
- (iv) Cash at bank – 1st April – Rs.25,000

13. Explain the scope and importance of Management Accounting.
