K23U 0279

Reg. No. : .....

Name : .....

VI Semester B.Com. Degree (C.B.C.S.S. – Supplementary)
Examination, April 2023
(2017 to 2018 Admissions)
Core Course
6B15COM : MANAGEMENT ACCOUNTING

Time : 3 Hours Max. Marks : 40

PART – A

Answer **all** questions. **Each** question carries ½ mark.

1. Dividend payment is a _____ activity.
2. Contribution = Sales – _____ cost.
3. Current ratio is also known as _____
4. The difference between standard cost and actual cost is called _____ **(4×½=2)**

PART – B

Answer **any four** questions. **Each** question carries **one** mark.

5. What is trend analysis ?
6. What is liquidity ?
7. What is meant by BEP ?
8. What is material price variance ?
9. What is financing activity ?
10. What is budgetary control ? **(4×1=4)**

P.T.O.

PART – C

Answer **any six** questions (**not** exceeding **one** page). **Each** question carries **three** marks.

11. What are the objectives of management accounting ?

12. What are the advantages of ratio analysis ?

13. What are the features of marginal costing ?

14. What are the objectives of budgetary control ?

15. The sales turnover and profit during two periods were as follows :

Period	Sales (Rs.)	Profit (Rs.)
1	2,00,000	20,000
2	3,00,000	40,000

What would be probable trading results with the sales of Rs. 1,80,000 ? What amount of sales will yield a profit of Rs. 50,000 ?

16. From the following information, calculate operating ratio :

Sales	7,60,000
Sales returns	10,000
Cost of goods sold	4,80,000
Administrative expenses	45,000
Selling expenses	75,000
Provision for taxation	30,000

17. It is estimated that a product requires 50 units of materials at the rate of Rs. 3 per unit. The actual consumption of material for manufacturing the same product came to 60 units at the rate of Rs. 2.80 per unit. Calculate material cost variance and material price variance.

18. From the following information, interpret the result of operations of a manufacturing company, using trend ratios.

Particulars	2008	2009	2010	2011
Net sales	80	70	100	120
Less : cost of goods sold	60	55	72	80
Gross profit	20	15	28	40
Less : operating expenses	10	9	12	25
Operating net profit	10	6	16	15

(6×3=18)

PART – D

Answer **any two** questions. **Each** question carries **eight** marks.

19. What is management accounting ? Discuss the nature and scope of management accounting.

20. Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90%.

Plant capacity	**At 80% capacity (Rs.)**
Variable overheads :	
Indirect labour	12,000
Stores including spares	4,000
Semi variable overheads :	
Power (30%-fixed, 70%-variable)	20,000
Repairs (60%-fixed, 40%-variable)	2,000
Fixed overheads :	
Depreciation	11,000
Insurance	3,000
Salaries	10,000
Total overheads	62,000
Estimated Direct Labour Hours	1,24,000

21. The Balance Sheets of Western Manufacturers Limited as on first January 2021 and 31st December 2021 are as follows :

Liabilities	1st Jan. 2021(Rs.)	31st Dec. 2021(Rs.)	Assets	1st Jan. 2021(Rs.)	31st Dec. 2021(Rs.)
Share Capital	2,50,000	2,50,000	Land and Building	1,50,000	1,50,000
5% Debentures	1,00,000	80,000	Machinery	82,000	90,000
Sundry Creditors	1,15,000	1,08,000	Stock in trade	1,00,000	1,14,000
Profit and Loss account	20,000	27,000	Sundry Debtors	85,000	81,000
Depreciation fund	40,000	44,000	Cash and Bank balance	60,000	55,000
Reserve for contingencies	70,000	55,000	Temporary investments	1,31,000	95,000
Outstanding expenses	15,000	24,000	Prepaid expenses	2,000	3,000
	6,10,000	**5,88,000**		**6,10,000**	**5,88,000**

The following additional information is available :

a) New machinery was purchased for Rs. 30,000 but old machinery costing Rs. 15,000 was sold for Rs. 5,000 accumulated depreciation was Rs. 8,000.

b) Rs. 20,000, 5% Debentures were redeemed by purchase from open market at Rs. 96.

c) Rs. 36,000 investment were sold at book value.

d) 12% dividend was paid in cash.

e) Rs. 15,000 was debited to contingency reserve for settlement of previous tax liability.

Prepare cash flow statement. **(2×8=16)**