

M 8295

Reg. No. :

Name :

VI Semester B.Com. Degree (CCSS - Reg./Supple./Improv.) Examination, May 2015 CORE COURSE IN COMMERCE 6B14 COM : Management Accounting (2012 Admn.)

Time : 3 Hours

Max. Weightage: 30

PART-A

This part consist of two bunches of questions carrying equal weightage of one. Each bunch consist of four objective type questions. Answer all questions.

- I. 1. Which of the following is not the function of management accounting?
 - a) Planning

b) Reporting

b) Liquid assets / Current liability

d) Net profit / Net sales

c) Evaluating

- d) Cost ascertainment
- 2. The equation for the debt equity ratio is
 - a) Long term debt / Equity capital
 - c) Current assets / Current liability
- for financial analysis. 3. Funds flow statement is
 - a) a Substitute of Income Statement
 - b) a Substitute of Balance Sheet
 - c) a Substitute of Profit and Loss Account
 - d) a Tool of Management
- 4. Current ratio is a ratio.
 - a) Trading Account
 - c) Profitability
- b) Profit and Loss d) Balance Sheet (W=1)

11. 5.

Sales

Profit

- Year 2014 Year 2013 Rs. 10,00,000 Rs. 15,00,000 Rs. 1.00.000 Rs. 2,00,000
- Breakeven point in rupees :
- a) Rs. 1,00,000
- c) Rs. 5,00,000

b) Rs. 2,00,000 d) Rs. 3,00,000

- 6. Match the following :
 - 1) Financial Coverage
 - 2) Quick ratio
 - 3) Stock turnover ratio
 - 4) Margin on sales

Codes :

- a) 1 C, 2 D, 3 A, 4 B
- c) 1 D, 2 C, 3 B, 4 A
- Give the expansion of SBH
 - a) Standard Business Hours
 - c) Statutory Budget Hours
- 8. Find the suitable one :
 - a) $MPV = (SP AP) \times AQ$
 - c) $MPV = (AQ AP) \times SP$

- A) Efficiency
- B) Profitability
- C) Risk
- D) Liquidity
- b) 1 D, 2 C, 3 A, 4 B
- d) 1 C, 2 D, 3 B, 4 A
- b) Standard Budget Hours
- d) Statutory Business Hours
- b) $MPV = (AP SP) \times AQ$
- d) $MPV = (SP AQ) \times AP$

(W=1)



Answer any eight questions in one or two sentences each. Each question carries a weightage of one.

- 9. What is the meaning of Management Accounting ?
- 10. List two objectives of Management Accounting.
- 11. Define cash flow statement.
- 12. Write the procedure for calculating trends.
- 13. State two limitations of Inter-firm or Intra-firm Comparison.
- 14. What do you mean by operating profit ratio?
- 15. Calculate P/V ratio :
- a) Profit Rs. 2,00,000, Margin of safety Rs. 4,00,000
 - b) Fixed cost Rs. 1,00,000, B.E.P. Rs. 4,00,000.
- Calculate Material Variances from the following information : SQ = 40 kg, SP = Rs.10 per kg, AQ = 48 kg, AP = 12 per kg.
- 17. Distinguish between budget and budgetary control.
- 18. What do you mean by "Key Factor"?

 $(W=8\times1=8)$

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PART-C

Answer any six questions. Answer not to exceed one page. Each carries a weightage of two.

- 19. Explain in detail the sources of funds in fund flow statement.
- 20. What are the limitations of Accounting Ratios?
- 21. Calculate:
 - i) Debtors Turnover and
 - ii) Average collection period from the following information :

	31 st March 2013	31 st March 2014 Rs.
	Rs.	
Debtors in the beginning	70,000	80,000
Debtors at the end	90,000	1,00,000
Annual credit sales	6,00,000	7,00,000
Days to be taken for the year 36	0.	

22. A manufacturing company plans to sell 1,08,000 units of a certain product line in the first quarter 1,20,000 units in the second quarter, 1,32,000 units in the third quarter and 1,56,000 units in the fourth quarter and 1,38,000 units in the first quarter of the following year. At the beginning of the first quarter of the current year, there are 18,000 units of products in the stock. At the end of each quarter, the company plans to have an inventory equal to one-sixth of the sales for the next fiscal year.

How many units must be manufactured in each guarter of the current year?

- 23. Calculate the amount of fixed expenses from the following information : Sales Rs. 1,20,000 Direct materials Rs. 40,000 Direct labour Rs. 25,000 Variable expenses Rs. 10,000 and profit Rs. 25,000.
- Prepare necessary accounts of find out sources/applications of funds from the following extracts of Balance Sheets of AB Company Ltd.

	As on 31 st March As on 31 st March		
	2012 (Rs.)	2013 (Rs.)	
Equity share capital	6,00,000	7,00,000	
10% Preference share capital	3,00,000	2,50,000	
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Additional information :

- 1) Equity shares were issued during the year against purchase of machinery for Rs. 75,000.
- 2) 10% preference shares worth Rs. 1,50,000 were redeemed during the year.

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- 25. Discuss the characteristics features of ideal financial statements.
- 26. Calculate :
 - 1) Current assets
 - 2) Liquid assets the metal and both the bound of a source and the both metal and
 - 3) Inventory

Current Ratio = 2.6 : 1 Liquid Assets = 1.5 : 1

Current Liabilities = Rs. 40,000.

$(W=6\times2=12)$

PART-D

Answer any two questions. Each question carries a weightage of four.

27. Discuss the advantages and limitations of Management Accounting.

- 28. Calculate from the following data :
 - a) B. E. P. in Rs.
 - b) Number of units that must be sold to earn a profit of Rs. 80,000.

c) How many units must be sold to earn 10% of sales?

Selling price p. u. Rs. 20.

Variable selling overhead p.u. Rs. 10.

Fixed factory overhead Rs. 7,50,000.

Fixed selling overhead Rs. 2,50,000.

29. The income statements of XY Ltd. are given for the year ending 31st December 2013 and 2014. Rearrange the figures in a comparative form and study the profitability position of the company.

	2013	2014	
and cloth Pa. 25,000; Id vi ocabiliti (contra 1%)	Rs. (000)	Rs. (000)	
Netsales	800	950	
Cost of goods sold		600	
Operating expenses :			
General and administrative expenses	80	82	
Selling expenses	90	100	
Non-operating expenses :			
Interest paid	30	35	
Income tax	50	60	
	(W=2×4=8)		