

III. Case Study – Compulsory

17. Following are the ratios relating to the trading of Sakthi masala ltd. coimbatore.

Receivables turnover = 90 days [360 days year]

Inventory turnover = 3 times

Payable turnover = 3 months

Gross profit ratio = 25%

Gross profit for the year amounted to Rs. 18,000. Closing inventory of the year is Rs. 2,000 above the opening inventory. Bills Receivable amount to Rs. 2500 and bills payable Rs. 1000. Find out the following

- (a) Sales of Sakthi masala
- (b) Debtors of Sakthi masala
- (c) Closing inventory of Sakthi masala
- (d) Sundry creditors of Sakthi masala.

M.B.A. DEGREE EXAMINATION, JUNE 2007.

Third Semester

Finance

Paper XV — MANAGEMENT ACCOUNTING

Time : Three hours

Maximum : 100 marks

PART A — (5 × 6 = 30 marks)

- I. Answer any FIVE out of the following.
  1. Explain the scope of management accounting.
  2. What is the Role of Management accountant in decision making?
  3. What are the essentials of a good Budgetary control system?
  4. How do you set standards for different elements of cost?
  5. Describe the objectives of marginal costing.
  6. Describe the steps in the preparation of 'Cash flow statement'.
  7. How do you analyse the Flow of Funds?
  8. What are the objectives of Reporting?

II. Answer any FIVE out of the following.

9. Discuss the various steps required for installing management Accounting system.

10. What is performance budgeting? What are the elements involved in it? Explain its purposes.

11. A manufacturing concern which has adopted standard costing furnishes the following information :

Standard : Materials for 70 kgs of finished product; 100 kgs price of material Re. 1 per kg

Actual : Output 2,10,000 kg

Material used 2,80,000 kg

Cost of materials Rs. 2,52,000

Calculate :

(a) Material price variance

(b) Material usage variance

(c) Material cost variance.

12. When is 'Selling below cost' permissible and necessary.

13. From the following information relating to palani and co ltd you are required to find out

(a) P/V Ratio

(b) Break even point

(c) Profit

(d) Margin of Safety

(e) Volume of Sales to earn profit Rs. 6,000

Rs.

Total Fixed cost 4,500

Total variable cost 7,500

Total sales 15,000

14. From the following details, compute

(a) Current assets

(b) Quick assets and

(c) Stock.

Current Liabilities Rs. 9,00,000

Current ratio 2.5

Acid Test ratio 2.

(Without prepaid expenses.)

15. "Liquidity and Profitability are the reconcilable goals of a Firm" Do you agree?

16. Describe the reporting at different levels of management.