

D-7259

Sub. Code

**10244/12544/
12344/12844**

DISTANCE EDUCATION

**Common for B.Com./B.Com.(LE)/B.Com.(CA)/B.Com.(CA)(LE)
DEGREE EXAMINATION.**

MAY 2021 EXAMINATION

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MAY 2020 ARREAR EXAMINATION

Fourth Semester

Commerce

MANAGEMENT ACCOUNTING

(CBCS 2018-19 Academic Year onwards)

Time : 3 hours

Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer ALL questions.

All questions carry equal marks.

- 1. What is Management Accounting?**
- 2. Define Budgetary Control.**
- 3. State any two limitations of Standard Costing.**
- 4. What is P/V Ratio?**

5. What is meant by Comparative Statement?
6. What is meant by Ratio Analysis?
7. List out the kinds of Working Capital.
8. List out the various sources of Funds.
9. What is Pay-back-period?
10. Write short note on Inflation Accounting.

SECTION B — (5 × 5 = 25 marks)

Answer ALL questions, choosing either (a) or (b).

All questions carry equal marks.

11. (a) What are the functions of Management Accounting?

Or

- (b) The expenses for the production of 5000 units in a factory are given below :

	Per unit Rs.
Materials	50
Labour	20
Variable overheads	15

	Per unit
	Rs.
Fixed overheads (Rs. 5,000)	10
Administrative overhead (5% Variable)	10
Distribution expenses (10% Fixed)	5
Selling expenses (20% fixed)	<u>6</u>
	<u>116</u>

Prepare a budget for the product 7,000 units.

12. (a) Distinguish between Budgetary Control and Standard Costing.

Or

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- (b) From the following information calculate
- (i) P/V ratio
 - (ii) Break-even-point.

		Rs.
Total sales	—	3,60,000
Selling price per unit	—	100
Variable cost per unit	—	50
Fixed cost	—	1,00,000

13. (a) Explain the methods of Financial analysis.

Or

- (b) Following information given to you
- (i) Current ratio — 2.5 : 1
 - (ii) Working capital — Rs. 90,000
- Find out :
- (1) Current Assets
 - (2) Current Liabilities.

14. (a) What are the various sources of working capital?

Or

(b) Calculate funds from operation from the following Profit and Loss A/c.

	Rs.		Rs.
To Rent	10,000	By Gross Profit	9,86,000
To Salary	25,000		
To Depreciation on Furniture	3,000		
To Discount on issue of shares	10,000		
To Goodwill written off	5,000		
To Preliminary expenses	6,000		
To Net Profit	9,27,000		
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	9,86,000		9,86,000
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15. (a) What are the dividend form of dividend?

Or

(b) Project X initially cost of Rs. 25,000. It generates the following cash inflows :

Year	Cash in flows Rs.	Present value of Re.1 at 10%
1	9,000	0.909
2	8,000	0.826
3	7,000	0.751
4	6,000	0.683
5	5,000	0.621

Suggest weather the project should be accepted or not.

SECTION C — (3 × 10 = 30 marks)

Answer any THREE questions.

All questions carry equal marks.

16. Distinguish between Management Accounting and Cost Accounting.
17. BPL Ltd. wishes to arrange overdraft facility with its bankers April to June 2017. Prepare a cash budget for the above period. From the following data, indicating the extent of bank facilities the company will required at the end of each month.

(a)

Month	Cash Sales Rs.	Purchases Rs.	Wages Rs.
2017 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

- (b) 50% of the credit sales are realised in the month following sales and the remaining 50% in the second month following.
- (c) Creditors and wages are paid in the month following the month of purchases.
- (d) Cash at bank balance 1.4.2017 (estimated)
Rs. 25,000.

18. The sales turnover and profit during two years.

Year	Sales Rs.	Profit Rs.
2015	1,50,000	20,000
2016	1,70,000	25,000

Calculate :

- (a) P/V Ratio
- (b) Break even point
- (c) Margin of safety in II year.

19. From the following information, calculate :

- (a) Gross Profit Ratio
- (b) Operating Profit Ratio
- (c) Operating Ratio
- (d) Net Profit Ratio.

	Rs.
Sales	— 6,00,000
Cost of goods sold	— 4,00,000
Operating expenses	— 1,20,000
Non-operating expenses	— 4,000
Non-operating income	— 12,000

20. The financial position of the company is given below. You are required to prepare a Funds Flow Statement.

Liabilities	2015	2016	Assets	2015	2016
	Rs.	Rs.		Rs.	Rs.
Share capital	4,00,000	5,00,000	Cash	60,000	94,000
Creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
P & L A/c	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	<u>5,60,000</u>	<u>6,36,000</u>		<u>5,60,000</u>	<u>6,36,000</u>