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VI Semester B.Com. Degree Examination, August/September - 2023

COMMERCE

Management Accounting

(CBCS Scheme 2019-20 Freshers and Repeaters)



Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates :

Answers should be written completely in English.

SECTION - AAnswer any **FIVE** sub-questions. Each question carries **2** marks.

(5×2=10)

1.
 - a) State any two objectives of Management Accounting.
 - b) Write any four components of current assets.
 - c) What is a flexible budget?
 - d) State two requisites of a good reporting system.
 - e) What is Trend Analysis?
 - f) What is variance Analysis?
 - g) What is a common-size statement?

SECTION - BAnswer any **THREE** questions. Each question carries **5** marks.

(3×5=15)

2. Briefly explain the advantages of Management Accounting.
3. From the information given below, calculate
 - a) Quick ratio.
 - b) Stock turnover ratio.
 - c) Debt-equity ratio.

i. Current assets	Rs. 6,00,000
ii. Opening stock	Rs. 60,000
iii. Closing stock	Rs. 1,60,000
iv. Cost of goods sold	Rs. 23,00,000
v. Equity share capital	Rs. 8,00,000
vi. 10% Preference share capital	Rs. 3,00,000
vii. 12% Debentures	Rs. 3,00,000
viii. Current liabilities	Rs. 3,00,000
xi. General reserves	Rs. 2,00,000

[P.T.O.]



4. From the following, prepare a comparative income statement.

Particulars	31.03.2022(Rs.)	31.03.2023(Rs.)
Sales	21,50,000	25,00,000
Cost of goods sold	13,00,000	14,50,000
<u>Operating expenses</u>		
Administrative expenses	2,10,000	1,80,000
Selling expenses	1,90,000	2,50,000
<u>Non-operating expenses</u>		
Interest paid	1,40,000	1,20,000
Income tax	1,70,000	2,30,000

5. The following information of a manufacturing company is provided to you. Calculate MCV, MPV and MUV.

Standard:

- a) Materials required to manufacture 70 kgs of finished goods is 100 kgs.
- b) Price of materials per kg is Rs. 1/-.

Actual:

- a) Output 2,10,000 kgs.
- b) Materials used 2,80,000 kgs.
- c) Cost of materials Rs. 2,52,000/-

SECTION - C

Answer any **THREE** questions from the following. Each question carries 15 marks.

(3×15=45)

6. A company expects to have Rs.32,000/- cash in hand on 1st April 2023 and it requests you to prepare cash budget for the period of three months (April to June). The following information is supplied to you.

Months	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Expenses (Rs.)
February	75,000	45,000	6,000	5,000
March	85,000	56,000	9,000	6,000
April	96,000	60,000	9,000	7,000
May	1,10,000	68,000	11,000	9,000
June	1,20,000	62,000	14,000	9,000

**Other Information:**

- a) Period of credit allowed by suppliers is two months.
 - b) 25% of sales is for cash and the period of credit allowed to customers for credit sales is one month.
 - c) Delay in payment of wages and expenses is one month.
 - d) Income tax Rs. 28,000/- is to be paid in June 2023.
7. The extracts of Balance Sheet of Charvi Co Ltd. as on 31/03/2022 and 31/03/2023 are given below. Prepare common size Balance Sheet and comment.

Particulars	31/03/2022(Rs.)	31/03/2023(Rs.)
<u>Liabilities:</u>		
i. <u>Share holders fund</u>		
Share capital	36,00,000	48,00,000
Reserves and surplus	12,00,000	16,00,000
ii. <u>Non-current liabilities</u>		
Long term borrowings	4,80,000	4,00,000
iii. <u>Current liabilities</u>		
Trade payables	5,40,000	10,00,000
Other current liabilities	1,80,000	2,00,000
Total	<u>60,00,000</u>	<u>80,00,000</u>
<u>Assets:</u>		
i. <u>Non-current assets</u>		
Fixed Assets		
Tangible assets	43,20,000	60,00,000
Intangible assets	1,50,000	1,20,000
ii. <u>Current Assets</u>		
Inventories	6,00,000	8,00,000
Trade Receivables	7,20,000	6,40,000
Cash and Bank	2,10,000	4,40,000
Total	<u>60,00,000</u>	<u>80,00,000</u>



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8. You are given the following data.

Year	Sales (Rs.)	Profit (Rs.)
2022	2,40,000	16,000
2023	2,80,000	26,000

Calculate:

- P/v Ratio.
- BEP
- Profit when sales is Rs. 3,60,000
- Sales required to earn a profit of Rs. 24,000.
- Margin of safety in the year 2023.

9. Following is the Balance Sheet of Sonu Ltd. Prepare cash flow statement.

Particulars	01.04.2022(Rs.)	31.03.2023(Rs.)
Liabilities:		
Equity share capital	6,00,000	7,50,000
Profit and loss A/c	50,000	75,000
Long term debts	2,00,000	4,00,000
Creditors	4,50,000	5,40,000
Bills payable	85,000	95,000
Out standing expenses	5,000	10,000
	13,90,000	18,70,000
Assets:		
Building	3,50,000	5,00,000
Machinery	3,00,000	4,00,000
Furniture	1,85,000	2,05,000
Stock	2,60,000	4,50,000
Debtors	2,00,000	1,80,000
Cash	85,000	1,35,000
Preliminary expenses	10,000	Nil
	13,90,000	18,70,000

Additional Information:

- Depreciation written off on machinery Rs. 20,000/- and on furniture Rs. 20,000/-.
- Preliminary expenses written off Rs. 10,000/-
- Building purchased during the year Rs. 1,50,000/-