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VI Semester B.Com. (Regular) B.D.A./L.S.C.M./I & AS Degree Examination,

July/August - 2024

COMMERCE

Management Accounting

(NEP Semester Scheme)

Paper : 6.1

Time : 2½ Hours

Maximum Marks : 60

Instructions to Candidates:

Answers should be written only in English.

SECTION - A

Answer any FIVE of the following sub questions. Each sub question carries 2 marks.

(5×2=10)

1. a) What do you mean by management Accounting?
- b) Give the meaning of financial statement analysis.
- c) Write any four components of Current liabilities.
- d) State any two limitations of Management Accounting.
- e) What is cash from operating Activity?
- f) What is flexible budget?
- g) Write two advantages of Cash Flow Statement.

SECTION - B

Answer any FOUR of the following questions. Each question carries 5 marks.

(4×5=20)

2. Briefly explain the advantages of management accountant.
3. From the following information of Joshitha Ltd. prepare comparative Income Statement.

[P.T.O.]



Particulars	2022(Rs.)	2023 (Rs.)
Opening stock	4,00,000	5,00,000
Purchases	12,00,000	14,00,000
Wages	2,50,000	3,00,000
Factory expenses	2,50,000	2,50,000
Selling and distribution expenses	50,000	40,000
Depreciation	65,000	75,000
Interest on debentures	20,000	20,000
Provision for taxation	1,20,000	1,30,000
Sales	20,00,000	22,00,000
Closing stock	6,00,000	8,00,000

4. Given : Sales - Rs. 8,75,000; creditors - Rs. 90,000;
Bills receivable Rs. 48,000; Bills payable Rs. 52,000;
Purchases - Rs. 4,20,000; and Debtors - Rs. 59,000.

Calculate :

- a) Debtors Turnover ratio
- b) Average collection period
- c) Payable Turnover Ratio
- d) Average payment period.

5. Calculate cash flow from operating activities from the following.

Particulars	31.3.2023 (Rs.)	31.3.2024 (Rs.)
Profit and Loss Account	60,000	65,000
Debtors	85,000	48,000
Bills Receivable	40,000	81,000
General Reserve	1,72,000	2,07,000
Wages outstanding	26,000	8,000
Salaries Prepaid	8,000	10,000
Goodwill	70,000	60,000

6. From the following data for a 60% activity, prepare a Flexible budget for production at 80% and 100% capacity. Calculate cost per unit.

Particulars	Amount (Rs.)
Production at 60% activity	600 units
Material	Rs. 100 per unit
Labour	Rs. 40 per unit
Direct expenses	Rs. 10 per unit
Factory OHs	Rs. 40,000 (40% fixed)
Administration expenses	Rs. 30,000 (60% fixed)



SECTION - C

Answer any TWO of the following questions. Each question carries 12 marks.

(2×12=24)

7. Prepare a common size Balance sheet from the following Balance sheet of Suguna Ltd.

Liabilities	2022(Rs.)	2023 (Rs.)
Equity share capital	3,00,000	4,00,000
Redeemable preference share capital	1,50,000	1,00,000
Reserves	40,000	70,000
Profit & Loss A/c	30,000	48,000
Proposed dividend	42,000	50,000
Creditors	55,000	83,000
Bills payable	20,000	16,000
Provision for taxation	40,000	50,000
Total	<u>6,77,000</u>	<u>8,17,000</u>
Assets	2022 (Rs.)	2023 (Rs.)
Goodwill	1,15,000	90,000
Land & Building	2,00,000	1,70,000
Plant	80,000	2,00,000
Debtors	1,60,000	2,00,000
Stock	77,000	1,09,000
Bills Receivable	20,000	30,000
Cash-in-hand	15,000	10,000
Cash-at-bank	10,000	8,000
Total	<u>6,77,000</u>	<u>8,17,000</u>

8. Following are the Summarized Balance Sheets of ESS GEE Ltd. as on March 31, 2023 and 2024.

Liabilities	31.3.2023	31.3.2024	Assets	31.3.2023	31.3.2024
	Rs.	Rs.		Rs.	Rs.
Share capital	1,00,000	1,30,000	Land & Buildings	1,00,000	95,000
General Reserve	25,000	30,000	Machinery	75,000	84,500
Profit & Loss A/c	15,200	15,400	Stock	50,000	37,000
Bank loan (long form)	35,000	-	Sundry debtors	40,000	32,100
Sundry creditors	75,000	67,500	Cash	200	300
Provision for tax	15,000	17,500	Bank	-	4,000
			Good will	-	7,500
	<u>2,65,200</u>	<u>2,60,400</u>		<u>2,65,200</u>	<u>2,60,400</u>

[P.T.O.]

Additional information:

- a) Dividend of Rs. 11,500 was paid
- b) Assets of another company was purchased for a consideration of Rs. 30,000 payable in shares. The following assets were purchased:
Stock : Rs. 10,000; Machinery : Rs. 12,500
- c) Machinery was further purchased for Rs. 4,000
- d) Depreciation written off on machinery Rs. 6,000
- e) Income Tax provided during the year Rs. 16,500
- f) Loss on sale of machine Rs. 100 was written off to general Reserve.

You are required to prepare Cash Flow statement for the year ending 31st March 2024.

9. Prepare a cash Budget for a Glass Manufacturing Company for the three months ending 30th June 2024, from the information given below:

a) Months	Sales	Materials	Wages	Overheads
February	14,000	9,600	3,000	1,700
March	15,000	9,000	3,000	1,900
April	16,000	9,200	3,200	2,200
May	17,000	10,000	3,600	2,200
June	18,000	10,400	4,000	2,300

- b) Cash and bank balance as on 1st April 2024 is expected to be Rs. 10,000.
- c) 25% of sales is for cash and the period of credit allowed to customers for credit sales in one month.
- d) Delay in payment of wages, materials and OH's is one month.
- e) Income Tax (Advance) to be paid in June Rs. 2,000.
- f) Plant & Machinery will be installed in February 2024 at a cost of Rs. 96,000. The monthly installment of Rs. 2,000 is payable from April onwards.
- g) Dividend at 5% on preference share capital of Rs. 2,00,000 will be paid on 1st June.

SECTION - D

Answer any ONE of the following questions. Each question carries 6 marks.(1×6=6)

10. Prepare a trend analysis statement for three years with imaginary figures.
11. Prepare (with imaginary figures) of any one corporate entity calculate the current ratios.