

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : MAY – 2023

B.Com. E-Commerce

MAXIMUM MARKS: 70

VI SEMESTER

TIME : 3 HOURS

PART – III

MANAGEMENT ACCOUNTING

SECTION - A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

1. Management accounting is suitable for-----.

a) Small businesses	b) Cooperative societies
c) Non-profit organizations	d) Large industrial and trading concerns
2. Debt-equity ratio is a -----.

a) turnover ratio	b) profitability ratio
c) short-term solvency ratio	d) long-term solvency ratio
3. Which statement is prepared in the process of funds flow analysis?

a) Schedule of changes in working capital	b) Funds Flow Statement
c) Both a & b	d) None of the above
4. Marginal cost is-----.

a) Prime cost	b) Works cost	c) Variable cost	d) Cost of production
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5. A production budget is based on -----.

a) Cash budget	b) Sales Budget	c) Overhead budget	d) Purchase Budget
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SHORT ANSWERS.

[K2]

6. Define Management accounting.
7. Explain the ratio analysis.
8. Write any two differences between cash flow and funds flow analysis.
9. List out any two advantages of marginal costing.
10. Indicate the types of budgets.

SECTION – B (5 X 4 = 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. [K3]

11. [a] State the advantages of management accounting.

(OR)

- [b] Find the functions of management accounting.

12. [a] You are given the following information.

Rs.

Cash	18,000
Debtors	1,42,000
Closing stock	1,82,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

Calculate [a] Current ratio [b] Liquidity ratio

(OR)

[b] Outline the advantages of Ratio Analysis.

13. [a] Calculate the average amount of working capital required for the following data.

	Per annum
	Rs.
1. Average amount of lacked up in stock:	
Stock of finished goods and work-in-progress	10,000
Stock of stores, material etc.	8,000
2. Average credit given:	
Local sales 2 weeks' credit	1,04,000
Outside the state 6 weeks' credit	3,12,000
3. Time available for payments:	
For purchases 4 weeks	78,000
For wages 2 weeks	2,60,000
Add 10% to allow for contingencies.	

[b] From the following information construct Cash from operation . Profit during the year Rs.1,30,000.

Particulars	1.1.14	31.12.14
Debtors	50,000	47,000
Bills receivable	10,000	12,000
Bills payable	20,000	25,000
Creditors	8,000	6,000
Outstanding expenses	1,000	1,200
Prepaid expenses	800	700
Accrued expenses	600	750
Income received in advance	300	250

14. [a] From the following data find out [i] P/V ratio [ii] Profit and [iii] BEP

Sales	Rs.7,50,000
Fixed cost	Rs.1,80,000
Variable cost	Rs.2,50,000

(OR)

[b] Outline the following data you are require to calculate

[i] P/V ratio	[ii] BEP	[iii] Margin of safety
Variable cost	Rs.6,00,000	
Fixed cost	Rs.3,00,000	
Net profit	Rs.1,00,000	
Sales	Rs.10,00,000	

15. [a] Evaluate the essentials of a good budgetary control system.

(OR)

[b] Prepare a production budget from the following information.

Product	Estimated stock 1.1.07 [units]	Estimated sales Jan-march 2007 [units]	Desired closing Stock 31.3.07 [units]
			31.3.07 [units]
R	2,000	10,000	3,000
S	3,000	15,000	5,000
U	4,000	13,000	3,000
P	3,000	12,000	2,000

SECTION – C (4X10=40 MARKS)**ANSWER ANY FOUR OUT OF SIX QUESTIONS****(16th QUESTION IS COMPULSARY AND ANSWER ANY THREE QUESTIONS)****[K4 & K5]**

16. Compare management accounting and cost accounting.

17. Analyze the following data calculate

- [i] Gross profit Ratio
- [ii] Net profit ratio
- [iii] Stock turnover ratio
- [iv] Operating ratio
- [v] Net operating profit ratio

Trading and profit and loss Account

Particulars	Amount [Rs.]	Particulars	Amount [Rs]
To Opening stock	1,00,000	By Sales	5,60,000
To purchases	3,50,000	By Closing Stock	1,00,000
To Wages	9,000		
To Gross Profit	2,01,000		
	6,60,000		6,60,000
To Administrative expenses	1,09,000	By Gross profit	2,01,000
To Non-operating expenses	30,000	By Non-operating income	18,000
To Net profit	80,000		
	2,19,000		2,19,000

18. Summarize the following balance sheet, prepare funds flow statement.

Liabilities	2013 [Rs.]	2104 [Rs]	Assets	2013 [Rs.]	2104 [Rs]
Share capital	1,00,000	1,23,500	Cash	16,000	31,500
P&L a/c	50,000	60,000	Building	1,00,000	90,000
General reserve	30,000	50,000	Debtors	60,000	45,000
Creditors	26,000	23,000	Stock	35,000	25,000
Debentures	1,00,000	75,000	Bills receivable	15,000	20,000
	-----	-----	Machinery	80,000	1,20,000
	3,06,000	3,32,500		3,06,000	3,31,500

Additional information:

- [i] Depreciation on machinery Rs.30,000 and on building Rs.10,000
- [ii] Dividend paid Rs.25,000

19. Show the following balance sheet prepares a cash flow statement.

Liabilities	2013 [Rs.]	2104 [Rs]	Assets	2013 [Rs.]	2104 [Rs]
Share capital	5,00,000	6,50,000	Cash	1,50,000	3,15,000
P&L a/c	50,000	1,50,000	Fixed assets	4,00,000	4,50,000
General reserve	1,00,000	1,50,000	Debtors	2,00,000	3,00,000
Creditors	2,00,000	2,00,000	Stock	2,00,000	2,50,000
Proposed dividend	50,000	65,000	Preliminary exp.	50,000	-
7% Debentures	2,00,000	2,00,000	Investments	1,00,000	1,00,000
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	11,00,000	14,15,000		11,00,000	14,15,000

20. The sales and profit during two years were as following.

Year	Sales [Rs.]	Profit [Rs.]
1991	1,40,000	15,000
1992	1,60,000	20,000

Calculate:

- i. P/V Ratio
- ii. Break – even point
- iii. Sales required to earn a profit of Rs.40,000
- iv. Fixed expenses and
- v. Profit when sales are Rs.1,20,000

21. The expenses for budgeted production of 10,000 units in a factory are furnished below:

	Rs.
Material .	70
Labor	25
Variable overhead	20
Fixed overhead (Rs.100000)	10
Variable expenses (direct)	8
Selling expenses (10%fixed)	7
Distribution expenses (20%fixed)	5
Administration expenses	10
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Total cost per unit	155
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Prepare a budget for production of :

8,000 units

6,000 units

Indicate cost per unit at both the levels