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(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **20 UCO 620**

DURING THE ACADEMIC YEAR 2020-21 ONLY)

REG.NO.

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

END-OF-SEMESTER EXAMINATIONS: MAY – 2023

B.Com.(AIDED & S.F.)

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. Financial Accounts deals with
 - a) Determination of costs
 - b) Determination of profits
 - c) Determination of prices
 - e) Determination of Values
2. Liquid ratio is also known as ----- ratio
 - a) Acid-test
 - b) Current
 - c) Operating
 - d) Debt-equity
3. Current assets include -----
 - a) Trade investments
 - b) Machinery
 - c) Sundry debtors
 - d) Goodwill
4. Master budget incorporates all ----- budgets
 - a) Cash
 - b) Fixed
 - c) Functional
 - d) Flexible
5. Contribution is the difference between the sales and -----
 - a) Fixed cost
 - b) Variable cost
 - c) Flexible cost
 - d) Profit

ETHICAL PAPER

(CONTD.....2)

(2) (20 UCO 620)

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

(K2)

6. What is Management Accounting?
7. What is Quick Ratio?
8. What is cash flow statement?
9. What is Marginal Costing?
10. What do you meant by Marginal costing?

SECTION – B (5 X 4 = 20 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE QUESTIONS.

(K3)

11. a) Describe the Scope of Management Accounting.

(OR)

- b) Examine the objectives of Management Accounting.

12. a) Sakthi Ltd. submits the following data regarding sales and cost:

Particulars	Amount (Rs.)
Sales	1,00,000
Sales returns	20,000
Cost of sales	50,000

Find out the gross profit ratio.

(OR)

- b) Find out: Current Assets and Current Liabilities:

- (1) Current Ratio = 2.5 and
- (2) Working capital = Rs. 90,000.

ETHICAL PAPER

(CONTD.....3)

(3) (20 UCO 620)

13. a) From the data given below, calculate cash from operations:

Particulars	Amount (Rs.)
Total sales	80,000
Debtors at the beginning	6,000
Debtors at the end	11,000
Total purchases	60,000
Creditors at the beginning	10,000
Creditors at the end	15,000
Total operating expenses	6,000
Prepaid expenses at the beginning	2,000
Prepaid expenses at the end	1,000
Outstanding expenses at the end	2,000

(OR)

- b) From the following Balance sheets of the company for the year ending 31st December 2003 and 31st December 2004. Prepare schedule of changes in working capital.

Liabilities	2003 (Rs.)	2004 (Rs.)	Assets	2003 (Rs.)	2004 (Rs.)
Share capital	3,00,000	4,00,000	Plant & Machinery	50,000	60,000
Sundry creditors	1,00,000	70,000	Furniture and Fixtures	10,000	15,000
P/L a/c	15,000	30,000	Stock in trade	85,000	1,05,000
			Debtors	1,60,000	1,50,000
			Cash	1,10,000	1,70,000
	4,15,000	5,00,000		4,15,000	5,00,000

14. a) Prepare a production budget for three months ended March 31, 1998 for a factory producing four products, on the basis of the following information:

Type of product	Estimated stock 1.1.98 (Units)	Estimated stock on 31.12.98 (Units)	Sales during Jan – March (Units)
A	2,000	3,000	10,000
B	3,000	5,000	15,000
C	4,000	3,000	13,000
D	3,000	2,000	12,000

(OR)

(4) (20 UCO 620)

- b) Prepare a production budget for three months ended March 31, 1998 for a factory producing four products, on the basis of the following information:

Type of product	Estimated stock 1.1.98 (Units)	Estimated stock on 31.12.98 (Units)	Sales during Jan – March (Units)
A	4,000	6,000	20,000
B	6,000	10,000	30,000
C	8,000	6,000	26,000
D	6,000	4,000	24,000

15. a) Sales Rs. 1,00,000, Profit Rs. 10,000 and Variable cost 70%

Find out: P/V Ratio and Fixed cost.

(OR)

- b) Determine the amount of variable cost from the following particulars:

1. Sales- Rs.1,50,000 2. Fixed cost - Rs.30,000 and 3. Profit - Rs.40,000.

SECTION – C

(4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS

(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS.

(FROM Qn. No : 17 to 21)

(K4 (Or) K5)

16. You are given the following information:

Particulars	Amount (Rs.)
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

Calculate a) Current ratio b) Liquidity ratio and c) Absolute liquidity ratio.

17. Distinguish between management Accounting and Financial Accounting.

ETHICAL PAPER

(CONTD.....5)

18. Given: Current Ratio = 2.8
 Acid-test Ratio = 1.5
 Working capital = Rs. 1,62,000
 Find out: a) Current assets b) Current liabilities and c) Liquid assets.

19. Statement of financial position of Mr. Arun is given below:

Liabilities	1.1.98	31.12.98	Assets	1.1.98	31.12.98
Accounts payable	29,000	25,000	Cash	40,000	30,000
Capital	7,39,000	6,15,000	Debtors	20,000	17,000
			Stock	8,000	13,000
			Building	1,00,000	80,000
			Other Fixed Assets	6,00,000	5,00,000
	7,68,000	6,40,000		7,68,000	6,40,000

Additional information:

1. There were no drawings.
2. There were no purchases or sale of either building or other fixed assets.

Prepare a statement of cash flow statement.

20. The expenses for the production of 5,000 units in a factory are given as follows:

Particulars	Per unit (Rs.)
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs. 50,000)	10
Administrative expenses (5% variable)	10
Selling expenses (20% fixed)	6
Distribution expenses (10% fixed)	5
Total cost of sales per unit	116

You are required to prepare a budget for the production of 7,000 units.

21. The sales turnover and profit during two periods were as follows:
- | | | |
|----------|--------------------|--------------------|
| Period 1 | Sales Rs.20 Lakhs | Profit Rs. 2 Lakhs |
| Period 2 | Sales Rs. 30 Lakhs | Profit Rs. 4 Lakhs |
- Calculate:
1. P/V Ratio,
 2. Sales required to earn a profit of Rs. 5 Lakhs and
 3. Profit when sales are Rs. 10 Lakhs.