

(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **21UCO617**

DURING THE ACADEMIC YEAR 2021-24 ONLY)

REG.NO.

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

END-OF-SEMESTER EXAMINATIONS : MAY – 2024

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

MAXIMUM MARKS: 70

SEMESTER: VI

TIME : 3 HOURS

PART – III

MANAGEMENT ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER ALL QUESTIONS.

(K1)

MULTIPLE CHOICE QUESTIONS.

1. Relate the management Accounting.....
 - (a) Recording of accounting data
 - (b) Recording of costing data
 - (c) Presentation of accounting data.
 - (d) Recording of cost data.
2. The Liquid asset is also known as
 - (a) Acid-test ratio
 - (b) Current Ratio
 - (c) Working capital ratio
 - (d) Net Asset ratio.
3. State which of the following is Non-current liability
 - (a) Capital reserve
 - (b) Bank overdraft
 - (c) outstanding liability
 - (d) Sundry Creditors
4. The Sales budget is
 - (a) functional budget
 - (b) expenditure Budget
 - (c) master budget
 - (d) Capital budget
5. Tell the ‘No profit No loss ‘ situation will arise only when.....
 - (a) $C > F$
 - (b) $V > F$
 - (c) $C = F$
 - (d) $C = S$

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. (K2)

6. Define ‘Management Accounting’ .
7. Explain the Ratio Analysis’.
8. Interpret the ‘fund from operation’ .
9. Explain the term budget .
10. Distinguish between ‘Absorption costing and Marginal Costing’.

(CONTD 2)

SECTION – B**(5 X 4 = 20 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. (a) Explain the objectives of Management Accounting.

[OR]

(b) Interpret the Limitations of Management Accounting.

12. (a) Explain the significance of ratio analysis.

[OR]

(b) From the following information, Calculate Creditor turnover ratio.

	Rs.
Total Purchases	2,00,000
Cash Purchases	30,000
Purchase Returns	15,000
Creditors at the end	30,000
Bills payable at the end	10,000
Reserve for discount on Creditors	5,000

13. (a) Indicate the formats of fund flow statement.

[OR]

(b) From the following two balance sheets on December 31,2006 and December 31.2007. Prepare a schedule of change in working Capital.

Particulars	31 st December		Particulars	31 st December	
	2006 Rs	2007 Rs		2006Rs	2007 Rs
Share Capital	5,25,000	5,00,000	Land & Building	5,00,000	4,00,000
Profit & Loss A/c	1,20,000	1,00,000	Machinery	1,00,000	1,60,000
Trade Creditors	98,000	75,000	Stock in trade	1,10,000	80,000
Outstanding Creditors	2,000	5,000	Debtors	30,000	36,000
			Cash	5,000	4,000
	7,45,000	6,80,000		7,45,000	6,80,000

(CONTD 3)

14. (a) The manufacturing Company Submits the following figures of a Product for the first quarter of 2006.

Sales (in units)	January 30,000
	February 25,000
	March 35,000

Selling Price per unit Rs 20.

Target of 1st Quarter 2007;

Sale quantity increase 10%

Sales Price increase 10%

Prepare Sales Budget for the Quarter of 2007.

[OR]

- (b) Prepare a Production budget of X Ltd., from the following information:

Products	Sales as per Sales budget (in units)	Estimated Stock (in unit)	
		1-7-2007	31-06-2007
A	4,88,000	10,000	12,000
B	3,75,000	20,000	45,000
C	6,00,000	50,000	25,000

15. (a) Calculate BEP (in units) and BEP (in Rupees) from the following data.

Fixed cost Rs 3,00,000

Variable cost per unit Rs 20;

Selling price per unit Rs 30;

[OR]

- (b) A Manufacturing company finds that while the cost of making a product is Rs 20 each, the same is available in the market at Rs 18. Give your suggestion whether to make or buy this product. The Cost data is as follows:

	Rs
Raw materials	8
Wages	6
Variable Expenses	3
Fixed expenses	3

	20

(CONTD 4)

SECTION – C (4 X 10 = 40 MARKS)**ANSWER ANY FOUR OUT OF SIX QUESTIONS.****(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS . (K4/K5)**

16. Justify the some specific decision-making areas where marginal costing can be applied.
17. Compare the between financial accounting and management accounting.
18. From the following details, Prepare the Balance Sheet with as many details as possible:

Stock Velocity	6
Capital turnover ratio	2
Fixed assets turnover ratio	4
Gross Profit ratio	20%
Debt Collection Period	2 months
Creditors payment Period	73 days
The Gross Profit was	Rs 60,000.
Reserve and Surplus	Rs 20,000
Closing stock was Rs 5,000 in excess of opening stock.	

19. Following is the Balance Sheet of a Company for the year 2003 and 2004

BALANCE SHEET

Liabilities	2003 Rs	2004 Rs	Assets	2003 Rs	2004 Rs
Share Capital	70,000	74,000	Goodwill	10,000	5,000
Profit & Loss	10,740	11,360	Land	20,000	30,000
Debenture	12,000	6,000	Stock	49,200	42,700
Creditors	10,360	11,840	Debtors	14,900	17,700
			Cash	9,000	7,800
	<u>1,03,100</u>	<u>1,03,200</u>		<u>1,03,100</u>	<u>1,03,200</u>

Additional information:

- (a) Dividends were paid Rs 4,000
- (b) Land Purchased Rs 10,000

Prepare a Fund flow statement.

(CONTD 5)

20. Prepare a Cash Budget for the month of May ,June and July on the basis of the following information:

(i) Income and Expenditure forecasts

Month	Sales(all credit)Rs	Purchase(all credit) Rs	Wages Rs	Manufacturing expenses Rs	Office Expenses Rs	Selling Expenses Rs
March	60,000	36,000	9,000	4,000	2,000	4,000
April	62,000	38,000	8,000	3,000	1,500	5,000
May	64,000	33,000	10,000	4,500	2,500	4,500
June	58,000	35,000	8,500	3,500	2,000	3,500
July	56,000	39,000	9,500	4,000	1,000	4,500
August	60,000	34,000	8,000	3,000	1,500	4,500

(ii) Cash balance on 1st May Rs 8,000.

(iii) Plant costing Rs 16,000 is due for delivery in July payable 10% on delivery and balance after three months.

(iv) Advance tax of Rs 8,000 is payable in March and June each.

(v) Period of Credit allowed by suppliers 2 months and to Customers 1 month.

(vi) Lag in payment of manufacturing expenses ½ month

(vii) Lag in payment of all other expenses 1 month.

21. The statement of cost of a product is as follows:

Material	Rs 200;	Fixed expense	Rs 75.
Labour	Rs 100	Profit	Rs 125
Variable expenses	Rs 25	Selling Price	Rs 525

Unit Produced and sold 10,000.

Find out: (i) Break even point.

(ii) if Sales Price is reduced by Rs 25 how many more units must be produced and sold to realize the same Profit as at Present?
