

(FOR THE CANDIDATES ADMITTED  
DURING THE ACADEMIC YEAR 2021

ONLY)

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SUB CODE **21UPA618**

REG.NO.

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

**END-OF-SEMESTER EXAMINATIONS : MAY-2024**

**B.Com – (PA)**

**MAXIMUM MARKS: 70**

**SEMESTER VI**

**TIME : 3 HOURS**

**PART - III**

**MANAGEMENT ACCOUNTING**

**SECTION – A**

**(10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

1. Management accounting helps management in\_\_\_\_\_. **(K1)**  
(a)Preparation of final accounts (b)Journal and ledger  
(c)Filling tax returns (d)Decision Making
2. The Liquid ratio should be around\_\_\_\_\_.  
(a) 4 (b) 5  
(c) 2 (d) 1
3. Funds inflow from operation is\_\_\_\_\_.  
(a) An internal sources of funds (b) An Application of funds  
(c) An External sources of funds (d) An Inventory of funds
4. A Production budget is based on \_\_\_\_\_.  
(a) Cash budget (b) Overheads budget  
(c) Sales budget (d) Purchase budget
5. Marginal Cost is \_\_\_\_\_.  
(a) Prime Cost (b) Variable cost  
(c) Work cost (d) Cost of Production

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES**

6. Define the term Forecasting. **(K2)**
7. What is Management Control?
8. Write short notes on Cash flow analysis.
9. Define the term Budget.
10. Write short notes on Marginal Costing.

**SECTION – B**

**(5 X 4 = 20 MARKS)**

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

11. (a) Examine the functions of Management Accounting. **(K3)**  
(Or)  
(b)Differences between Management accounting and cost accounting. **(K3)**
12. (a) CalculateGross Ratio from the following figures. **(K3)**

	Rs.
Sales	10,00,000
Sales returns	1,00,000
Opening stock	2,00,000
Purchases	6,00,000
Purchase returns	1,50,000
Closing stock	65,000

(Or)

(b) Calculate the earning per share from the following information:

Net profit before tax	Rs.10,00,000
Tax on profit	50%
15% preference share capital (Rs.10 each)	Rs.2,00,000
Equity share capital 4,700 shares of Rs.10 each	Rs.4,70,000

13. (a) Calculate funds from operations from the following P& L a/c.

Particulars	Rs.	Particulars	Rs.
To Expense paid	3,00,000	By gross profit	4,50,000
To Depreciation	70,000	By Gain on sales of land	60,000
To Loss on sale of machine	4,000		
To Discount	200		
To Goodwill	20,000		
To Net Profit	1,15,800		
	5,10,000		5,10,000

(Or)

(b) From the following Trading and Profit & Loss account of Kaveri Ltd, you are required to ascertain cash from operations.

Particulars	Rs.	Particulars	Rs.
To Cost of goods sold	2,40,000	By Sales	4,00,000
To Gross profit c/d	1,60,000		
	4,00,000	By Gross profit b/d	4,00,000
To Stationary	6,000		1,60,000
To Depreciation	14,000		
To Salaries	20,000		
To Loss on sale of Investment	2,000		
To Rent & Taxes	8,000		
To Discount on issue of debentures	4,000		
To Postage	3,000		
To Provision for tax	20,000		
To Proposed dividend	10,000		
To Net Profit	73,000		
	1,60,000		1,60,000

14. (a) Explain the Limitations of budgetary Control.

(Or)

(b) A Company produces two products R and S. the following are the materials consumed for the production of 100 tons of output.

Product R		Product S	
Materials	Quantity Tons	Price Rs.	Quantity Tons
A	20	10 per ton	40
B	30	5 per ton	-
C	40	8 per ton	20
D	20	20 per ton	30
E	5	50 per ton	20

During the quarter ended March 2023, 3000 tons of R and 400 tons of S, were planned to be produced. Prepare a material consumptions budget showing the total cost of material budgeted to be consumed for the quarter.

15. (a) Elaborate the advantages of marginal costing.

(Or)

(b) Calculate the P/V ratio and BEP from the following.

	Rs.
Present sales	1,00,000
Variable cost	60,000
Fixed Cost	20,000

### SECTION - C

(4 X 10 = 40 MARKS)

#### ANSWER ANY FOUR OUT OF SIX QUESTIONS

#### (16<sup>th</sup> QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS)

16. Enumerate the Characteristics of Management accounting.

17. Classify the objectives of Management accounting

18. The following information is extracted from the books of confident Co. Ltd. You are require to manage the information for financial analysis and calculate (1) Return on Investment (ROI) or return on capital employed (2) Return on shareholders' funds (3) Return on equity shareholders' funds (4) Return on total assets.

Particulars	Rs.	Particulars	Rs.
Net sales	10,00,000	Profit & Loss account	2,00,000
Cost of goods sold	6,00,000	Debentures	2,50,000
Interest on debentures	25,000	Sundry creditors	50,000
Loss on sale of furniture	5,000	Equity share capital	3,00,000
Interest on govt. securities	5,000	10% pref. share capital	2,00,000
Fixed assets less depreciation	10,75,000	Operating expenses	1,50,000
Investment in govt. securities	50,000	Provision for tax	75,000
Current assets	5,00,000		
Reserves	4,00,000		

19. Balance sheet of M/s Black and white as on 1<sup>st</sup> January 2022 and 31<sup>st</sup> December 2022 were as follows:

Liabilities	1.1.2022 Rs.	31.12.2022 Rs.	Assets	1.1.2022 Rs.	31.12.2022 Rs.
Creditors	40,000	44,000	Cash	10,000	7,000
White's loan	25,000	-	Debtors	30,000	50,000
Loans from bank	40,000	50,000	Stock	35,000	25,000
Capital	1,25,000	1,53,000	Machinery	80,000	55,000

			Land	40,000	50,000
			Buildings	35,000	60,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year machine costing Rs.10,000 (accumulated depreciation Rs.3,000) was sold for Rs.5,000. The provisions for depreciation against machinery s on 1<sup>st</sup> Jan 2022 was Rs.25,000 and 31<sup>st</sup> Dec. 2022 Rs.40,000. Net profit for the year amounted to Rs.45,000. Prepare cash flow statement.

20. Draw up a flexible budget for production at 75% and 100% capacity on the on the basic of the flowing data for a 50% activity.

	Per unit Rs.
Materials	100
Labour	50
Variable expenses (Direct)	10
Administrative Expenses (50 % Fixed)	40,000
Selling and Overheads expenses (60% fixed)	50,000
Present production (50% activity)	1,000 units

21. Classify the Application of the Marginal costing.