

(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **22 UEC 620**

DURING THE ACADEMIC YEAR 2022-23 ONLY)

REG.NO.

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

**END-OF-SEMESTER EXAMINATIONS : MAY – 2025**

**B.Com.E.COMMERCE**

**MAXIMUM MARKS: 50**

**VI SEMESTER**

**TIME : 3 HOURS**

**PART – III**

**MANAGEMENT ACCOUNTING**

**SECTION – A**

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

**ANSWER THE FOLLOWING QUESTIONS.**

**(K1)**

1. In which one of the point management Accounting is primarily focused?
  - (a) Recording financial transactions
  - (b) Providing information for decision-making
  - (c) Tax compliance and auditing
  - (d) Preparing financial statements for external use
2. What is the Prime purpose of ratio analysis?
  - (a) Maintain accounting records
  - (b) Compare financial statements over time
  - (c) Analyze financial performance and position
  - (d) Calculate total assets of a company.
3. Which is the source that working capital depends?
  - (a ) Nature of business
  - (b) Production cycle
  - (c) Credit policy
  - (d) All of the above.
4. In which cost is otherwise known an Marginal Costing?
  - (a) Full costing
  - (b) Direct costing
  - (c) Absorption costing
  - (d) Variable costing.
5. Which one is Budgeting primarily concerned?
  - (a) Recording past financial transactions
  - (b) Estimating future income and expenses
  - (c). Preparing tax reports
  - (d) Conducting financial audits

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

**(K2)**

6. What is Management Accounting
7. Interpret 'Ratio Analysis'.
8. What is working Capital?
9. Define Marginal Costing.
10. What is Budgetary Control?

**(CONTD .... 2)**

**SECTION – B****(5 X 3 = 15 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a). Briefly explain the scope of Management Accounting.

**(OR)**

- b). State the significance of Management Accounting.

12. a). From the following particulars, Identify the net profit ratio :

Gross Profit ratio	= 40%
Gross Profit	= Rs 4,80,000
Administration, Selling & Distribution expenses	= Rs 1,80,000

**(OR)**

- b). Show operating profit ratio from the following data:

	Rs
Sales	4,00,000
Gross Profit	1,00,000
Administration expenses	40,000
Selling & distribution expenses	35,000
Income on investments	20,000
Loss by fire	10,000

13. a). Comment Factors Affecting Working Capital Requirements?

**(OR)**

- b). What are the Components of a Fund Flow Statement?

14. a). Mention the assumptions of Break Even Analysis?.

**(OR)**

- b). Write the significance of Marginal Costing.

15. a). Interpret the Importance of Budgeting and Budgetary Control.

**(OR)**

- b). Briefly write the term 'Master Budget' and note how is it prepared?

**SECTION – C (5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K4 (Or) K5)**

16. (a). Analyze the Relationship Between Financial Accounting, Cost Accounting, and Management Accounting

**(OR)**

- b). Explain the objectives of management Accounting.

**(CONTD .... 3)**

17. (a). From the following information, you are required to prepare a balance sheet.

(i).Current Ratio	1.75
(ii).Liquid Ratio	1.25
(iii).Stock Turnover Ratio(Cost of sales/Closing stock)	9
(iv).Gross Profit Ratio	25%
(v).Debt Collection Period	1.5Months.
(vi).Reserve and Surplus to Capital	0.2
(viii).Capital gearing ratio	0.6
(ix).Fixed assets to net worth	1.35
(x).Sales for the year	Rs 12,00,000.

(OR)

- (b). From the following information, prepare a summarized balance sheet as on 31<sup>st</sup> March,2018.

- (i). Working Capital Rs 1,20,000; (ii). Reserve & Surplus Rs 80,000;  
 (iii). Bank overdraft Rs20,000; (iv). Assets (Fixed)-Proprietary Ratio Rs 0.75  
 (v). Current Ratio 2.5 (vi). Liquid Ratio 1.5.

18. a). Balance sheet of M/s Black and White as on 1-1-2018 and 31-12-2018 were as follows:

Liabilities	1-1-2018	31-12-2018	Assets	1-1-2018	31-12-2018
Creditors.	40,000	44,000	Cash	10,000	7,000
Mr. White's			Debtors	30,000	50,000
Loan.	25,000	-----	Stock	35,000	25,000
Loan from P.N.			Machinery	80,000	55,000
Bank	40,000	50,000	Land	40,000	50,000
Capital	1,25,000	1,53,000	Building	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 Provision for depreciation against machinery as on 1-1-2018 was Rs 25,000 and on 31-12-2018 Rs 40,000.Net Profit for the year 2018 amounted to Rs 45,000. You are required to prepare Funds (Working Capital) Flow statements.

(OR)

(CONTD .... 4)

b). Balance sheet of 'A' and 'B' on 1-1-2018 and 31-12-2018 were as follows:

Liabilities	1-1-2018	31-12-2018	Assets	1-1-2018	31-12-2018
Creditors.	40,000	44,000	Cash	10,000.	7,000
Mrs.A's			Debtors	30,000	50,000
Loan	25,000	50,000	Stocks.	35,000	25,000
Loan from			Machinery	80,000	35,000
Bank	40,000	50,000	Land	40,000	50,200
Capital	1,25,000		Building	35,000	60,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year a machine costing Rs 10,000 (accumulated depreciation Rs 3,000) was sold for Rs 5,000. The provision for depreciation against machinery as on 1-1-2018 was Rs 25,000 and 31-12-2018 Rs 40,000. Net Profit for the year 2018 amounted to Rs 45,000. You are required to Prepare Cash Flow Statement.

19. a). Write the differences between "Marginal Costing" and "Absorption Costing"

(OR)

b). Explain the Characteristics of "Marginal Costing"

20. a). Analyze the Process of Preparing Cash, Sales, Purchase, and Raw Material Budgets.

(OR)

b). Appraise the Essentials of an Effective Budget.