

**(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2022 ONLY)**

REG.NO. :

22UBP616

**N.G.M.COLLEGE (AUTONOMOUS): POLLACHI
END-OF-SEMESTER EXAMINATIONS: MAY 2025**

**B.COM (BPS) -SF
SEMESTER-VI**

**MAXIMUM MARKS: 50
TIME : 3 HOURS**

PART – III

22UBP616 – MANAGEMENT ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. Management Accounting helps management in _____.
 a) Preparation of final accounts b) Raising finance
 c) Filing tax returns d) Decision making
2. The ideal current ratio is _____.
 a) 5 b) 4
 c) 3 d) 2
3. Sale of a fixed asset is _____.
 a) An item of funds from operations b) An external source of funds
 c) An application of funds d) A Non fund item
4. Purchase budget refers to Purchase of _____.
 a) Fixed assets b) Raw materials
 c) Advertising & distribution materials d) Office supplies
5. Marginal cost is _____.
 a) Prime cost b) Variable cost
 c) Works cost d) Cost of production

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

6. Define Management Accounting.
7. What is Ratio Analysis?
8. What is the main purpose of fund flow analysis?
9. Define Working capital.
10. Interpret Marginal cost.

(CONTD 2)

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

11. a) List the objectives of Management Accounting.

(OR)

b) Show common-size income statement for the two years from the following income statements of XYZ Co., Ltd., for the years 2016 and 2017.

Trading and Profit & Loss account

Particulars	2016 Rs.	2017 Rs.	Particulars	2016 Rs.	2017 Rs.
To Cost of Sales	240000	350000	By Sales	400000	500000
To Gross Profit c/d	160000	150000			
	400000	500000		400000	500000
To Operating Expenses:			By Gross profit b/d	160000	150000
Administration	25000	30000	By Interest on		
Selling	15000	20000	investments	20000	50000
Distribution	10000	10000			
To Non-operating expenses:					
Finance	20000	20000			
Goodwill written off	10000	----			
To Net profit	100000	120000			
	180000	200000		180000	200000

12. a) Interpret Current ratio from the following Balance Sheet of a firm:

Particulars	Amount Rs.	Particulars	Amount Rs.
Sundry Debtors	40000	Debentures	100000
Creditors	20000	Inventories	20000
Bills Payable	10000	Outstanding expenses	20000
Prepaid expenses	20000	Bank Overdraft	10000
Short term investment	10000	Loose tools	5000

(OR)

b) Interpret out Gross Profit Ratio from the following:

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

13. a) Show Funds from Operations from the following:

Profit and loss account

Particulars	Amount	Particulars	Amount
To Administration expenses	25,000	By Gross Profit	2,15,000
To Selling expenses	16,000	By Interest on investment	5,000
To depreciation	26,000	By Profit on sale of machinery	4,000
To Loss on sale of building	6,000		
To Goodwill written off	5,000		
To Discount on issue of debentures	2,000		
To Net profit	1,44,000		
	2,24,000		2,24,000

(OR)

b) Show a Cash flow statement from the following

Balance Sheet of a Company

Liabilities	2009	2010	Assets	2009	2010
Share capital	400000	500000	Cash	60000	94000
Trade Creditors	140000	90000	Debtors	240000	230000
Profit & Loss Account	20000	46000	Stock	160000	180000
			Land	100000	132000
	560000	636000		560000	636000

14. a) Show a Production budget from the following information:

Product	Sales (Units)	Estimated stock (units)	
		1st July 2009	30th June 2010
A	150000	14000	15000
B	100000	5000	14500
C	70000	8000	8000

(OR)

b) List down the advantages of budgetary control.

15. a) Describe the advantages of Marginal Costing.

(OR)

b) Calculate Break Even point from the following:

Sales 1000 units at Rs. 10 each Rs. 10,000

Variable cost – Rs. 6 per unit

Fixed cost – Rs. 8,000

SECTION – C

(5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.**(K4 (Or) K5)**

16. a) Compare Management Accounting and Financial Accounting.

(OR)

b) Discuss in detail the advantages and disadvantages of Management Accounting.

17. a) Interpret i) Current Ratio ii) Liquidity Ratio iii) Absolute Liquidity Ratio from the following information

Cash	Rs. 18000	Debtors	Rs. 142000	Closing stock	Rs. 180000
Bills Payable	Rs. 27000			Creditors	Rs. 50000
Outstanding expenses	Rs. 15000			Tax payable	Rs. 75000

(OR)

b) Interpret i) Gross Profit ratio ii) Net Profit ratio
iii) Operating Profit ratio iv) Operating ratio

Profit & Loss Account

Particulars	Amount	Particulars	Amount
To Opening Stock	2,00,000	By Sales	16,00,000
To Purchases	12,00,000	By Closing Stock	3,20,000
To Gross Profit c/d	5,20,000		
	19,20,000		19,20,000
To Administration expenses	1,20,000	By Gross Profit b/d	5,20,000
To Selling expenses	80,000		
To Operating profit c/d	3,20,000		
	5,20,000		5,20,000
To Finance expenses	40,000	By Operating profit b/d	3,20,000
To Loss on sale of assets	5,000	By Dividend received	4,000
To Net profit c/d	2,79,000		
	3,24,000		3,24,000

18. a) Prepare Fund Flow Statement from the following Balance Sheets of a Company

Liabilities	2009 (Rs.)	2010(Rs.)	Assets	2009 (Rs.)	2010(Rs.)
Capital	2,00,000	2,50,000	Land	50,000	66,000
Retained earnings	10,000	23,000	Stock	80,000	90,000
Creditors	70,000	45,000	Debtors	1,20,000	1,15,000
	<hr/>	<hr/>	Cash	30,000	47,000
	2,80,000	3,18,000		<hr/>	<hr/>
				2,80,000	3,18,000

(OR)

b) Interpret Cash from Operations from the Trading and Profit & Loss account of K Ltd.,

Particulars	Amount	Particulars	Amount
To Cost of goods sold	2,40,000	By Sales	4,00,000
To Gross profit c/d	1,60,000		
	4,00,000		4,00,000
To Stationery	6,000	By Gross Profit b/d	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		
	3,000		
To Postage	20,000		
To Provision for tax	10,000		
To Proposed dividend	73,000		
To Net profit			
	1,60,000		1,60,000

19. a) Prepare a manufacturing overhead budget and ascertain the manufacturing overhead rates at 50% and 70% capacities. The following particulars are given at 60% capacity:

Variable Overheads:	Rs.
Indirect material	6000
Indirect labour	18000
Semi-variable Overheads:	
Electricity (40% fixed)	30000
Repairs & maintenance (20% variable)	3000
Fixed Overheads:	
Depreciation	16500
Insurance	4500
Salaries	15000
Total overheads	93000
Estimated direct labour hours	186000 hours

(OR)

b) Prepare cash budget for the months May – July from the following

Months	Sales Rs.	Purchase Rs.	Wages Rs.	Manufacturing Expenses Rs.	Office Expenses Rs.	Selling Expenses Rs.
March	60000	36000	9000	4000	2000	4000
April	62000	38000	8000	3000	1500	5000
May	64000	33000	10000	4500	2500	4500
June	58000	35000	8500	3500	2000	3500
July	56000	39000	9500	4000	1000	4500
August	60000	34000	8000	3000	1500	4500

i) Cash balance on 1st May 2014 Rs. 8000.

ii) Plant costing Rs. 16000 is due for delivery in July, payable 10% on delivery and the balance after 3 months.

iii) Advance tax of Rs. 8000 each is payable in March and June.

iv) Period of credit allowed (i) by suppliers – 2 months and (ii) to customers -1 month.

v) Lag in payment of manufacturing expenses – ½ month & Wages paid on the same month.

vi) Lag in payment of office expenses and selling expenses – 1 month.

20. a) Interpret i) P/V Ratio ii) Variable Cost and iii) Profit from the following data:

Sales	Rs. 80,000
Fixed expenses	Rs. 15,000
Break even point	Rs. 50,000

(OR)

b) Discuss in detail the applications of Marginal costing.
