

(FOR THE CANDIDATES ADMITTED

22UBI617

DURING THE ACADEMIC YEAR 2025 ONLY) REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS : MAY -2025

B.COM B&I

MAXIMUM MARKS: 50

SEMESTER VI

TIME : 3 HOURS

**PART - III**

**22UBI617 MANAGEMENT ACCOUNTING**

**SECTION – A**

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

**ANSWER THE FOLLOWING QUESTIONS.**

1. Management accounts is suitable for
  - (a) Small business
  - (b) co-operative societies
  - (c) Non -profit organization
  - (d) large Trading and Industrial concern
2. Earnings per share ratio is a (EPS)
  - (a) Profitability ratio
  - (b) Turnover ratio
  - (c) Liquidity ratio
  - (d) Activity ratio
3. Loss of cash by embezzlement is a kind of -----
  - (a) Funds from operation
  - (b) sources of funds
  - (c) Funds lost in operation
  - (d) application of funds
4. A production budget is based on
  - (a) cash budget
  - (b) overheads budget
  - (c) sales budget
  - (d) purchase budget
5. Margin of safety is
  - (a) sales at which there is profit
  - (b) sales at which there is loss
  - (c) sales in excess of BEP
  - (d) sales in excess of cost

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

6. Define Management Accounting.
7. What do you mean by Acid test ratio?
8. Explain the meaning of Funds.
9. What is working capital?
10. What do you mean by contribution?

**SECTION – B**

**(5 X 3 = 15 MARKS)**

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

11. a) Explain the scope of Management Accounting.

**(OR)**

- b) What are the functions of a Management Accounting ?

12. a) Raman Ltd., sells goods on cash as well as on credit basis. The following information is extracted from their books of accounts for the year 2023

Total sales	Rs. 1,00,000
Cash sales (included in the above)	20,000
Sales returns	7,000
Debtors	9,000
Bills receivable	2,000

You are required to calculate

- (i) Debtors turnover ratio
- (ii) Average collection period

**(OR)**

- b) From the following information find out

- (i) Current assets
- (ii) current liabilities

Current ratio =3.5 , working capital Rs.1,00,000

13. a) From the following details, ascertain Funds from operation

Particulars	2022	2023
P&L A/c Balance at the end	50,000	60,000
General reserve	30,000	40,000
Goodwill	20,000	12,000
Preliminary expenses	6,000	4,000
Depreciation provision	25,000	40,000
Income from non- trading investments	---	20,000

Preference shares of the face value of Rs. 1,00,000 were redeemed during the year at premium of 10% . The premium on redemption was charged to the profit and loss account.

(OR)

- b) Statement of financial position of Mr. Ram are given below

Liabilities	1.1.2023	31.12.2023	Assets	1.1.2023	31.12.2023
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
			Fixed assets	6,00,000	5,00,000
	<u>7,68,000</u>	<u>6,40,000</u>		<u>7,68,000</u>	<u>6,40,000</u>

Additional information:

- (i) There were no drawings
  - (ii) There were no purchase or sale of either building or fixed assets
- Prepare cash flow statement.

14. a) Explain various factors influencing working capital.

(OR)

b) You are required to prepare a production budget for the half year ending June 2022 from the following information:	Budgeted sales quantity	Actual stock on 31/12/2021	Desired stock on 30.6.2022
Product			
S	Units 20,000	Units 4,000	Units 5,000

T	50,000	6,000	10,000
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15. a) Explain the importance of Marginal costing in Decision making.

(OR)

- b) Vasanth Ltd., presents the following results for one year. Calculate the P/V ratio, BEP and Margin of safety.

Sales	Rs. 2,00,000
Variable costs	1,20,000
Fixed cost	50,000
Net profit	30,000

**SECTION – C**

**(5 X 5 = 25 MARKS)**

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

16. a) Distinguish between Management Accounting and Cost Accounting.

(OR)

- b) Briefly Explain the Tools and Techniques of Management Accounting.

17. a) From the following data calculate

- Gross profit ratio
- Net profit ratio
- Return on total assets
- Inventory turnover ratio
- Working capital turnover ratio
- Net worth to Debt

Sales	Rs. 25,20,000
Cost of sales	19,20,000
Net profit	3,60,000
Stock	8,00,000
Other current assets	7,60,000
Fixed assets	14,40,000
Net worth	15,00,000
Debt	9,00,000
Current liabilities	6,00,000

(OR)

- b) Following are the ratios relating to the trading activities of Meena Ltd., Chennai

Receivable turnover = 90 days (360 days in a year)

Inventory turnover = 3 times

Payable turnover = 3 months

Gross profit ratio = 25%

Gross profit for the year amounted to Rs. 18,000. Closing inventory of the year is Rs. 2,000 above the opening inventory. Bills receivable amount to Rs. 2,500 and bills payable Rs. 1,000. Ascertain the following:

- Sales
- Debtors
- Closing stock
- Creditors

18. a) Distinguish between Cash flow statement and Funds flow statement.

(OR)

- b) The following is the Comparative Balance sheets of P & Ltd., as on 30<sup>th</sup> June 2023 and 30<sup>th</sup> June 2024.

Liabilities	30.6.2023	30.6.2024	Assets	30.6.2023	30.6.2024
Share capital	1,80,000	2,00,000	Goodwill	24,000	20,000
Reserve fund	28,000	36,000	Building	80,000	72,000
P&L a/c	39,000	24,000	Machinery	74,000	72,000

Creditors	16,000	10,800	Investments	20,000	22,000
Bank	12,400	2,600	Inventories	60,000	50,800
overdraft	32,000	34,000	Debtors	40,000	44,400
Provision for tax	3,800	4,200	Cash	13,200	30,400
Provision for doubtful debts	3,11,200	3,11,600		3,11,200	3,11,600

Additional information:

- (i) Depreciation charged on machinery Rs. 10,000 and On building Rs. 8,000
- (ii) Investments sold during the year Rs. 3,000
- (iii) Rs. 15,000 interim dividend paid during Jan 2024
- (iv) Taxes paid during the year Rs. 30,000

Prepare (a) a statement of changes in working capital  
(b) a fund flow statement.

19. a) Draw up a flexible budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity.

	Per unit Rs.
Materials	100
Labour	50
Variable expenses (direct)	10
Administrative expenses (50% fixed)	Rs 40,000
Selling and distribution expenses (60% fixed)	Rs 50,000
Present production (50% capacity)	1,000 units

(OR)

- b) From the following information prepare a statement showing the working capital requirements:

Budgeted sales (Rs.10 per unit)	Rs. 2,60,000 p.a
Analysis of one types of sales:	
Raw materials	0.30
Direct labour	0.40
Overheads	0.20
Total cost	0.90
Profit	0.10

**Rs. 1.00**

It is estimated that:

- i) Raw materials are carried in stock for three weeks and finished goods for two weeks.
- ii) Factory processing will take three weeks.
- iii) Suppliers will give full five weeks credit
- iv) Customers will require eight weeks credit.

20. a) From the following information relating to Palani Bro Ltd., you are required to find out (i) P/V ratio (ii) BEP (iii) profit (iv) margin of safety (v) volume of sales to earn profit of Rs. 6,000

Total fixed costs	Rs. 4,500
Total variable cost	7,500
Total sales	15,000

(OR)

b) What do you understand by the term Break Even Analysis? Enumerate its Merits and Demerits.

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