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(FOR THE CANDIDATES ADMITTED

22UCF616

DURING THE ACADEMIC YEAR 2022-25 ONLY) REG.NO. :

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

END-OF-EVEN -SEMESTER EXAMINATIONS :MAY AND 2025

B.Com FINANCE

MAXIMUM MARKS: 50

SEMESTER: VI

TIME : 3 HOURS

PART - III

22UCF616 & MANAGEMENT ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.(K1)

1. The Management Accounting primarily focuses on:

- (a) Historical financial information (b) Future projections and decision-making
- (c) Compliance with legal requirements (d) Taxation and statutory audits.

2. The primary objective of Ratio Analysis?

- (a) To prepare financial statements (b) To analyze the relationship between various financial statement items
- (c) To comply with legal regulations (d) To calculate tax liabilities.

3. What is the primary objective of a Funds Flow Statement?

- (a) To analyze profitability (b) To identify changes in financial position
- (c) To prepare budgets (d) To calculate cash flows.

4. Choose the primary objective of budgetary control?

- (a) To minimize costs (b) To coordinate activities of different departments
- (c) To maximize profits (d) All of the above

5. The Marginal costing is also known as

- (a) Full costing (b) Absorption costing (c) Variable costing (d) Standard costing.

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

6. Interpret the Management Accounting?

7. What is ratio analysis?

8. Define "Cash Flow Statement"

9. Infer the budgetary control.

10. Define "Marginal Costing"

SECTION – B (5 X 3 = 15 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.(K3)

11. a). Assess the scope of Management Accounting?

(OR)

b). List out the Advantages of Management Accounting.

12. a). Interpret the limitations of Ratio Analysis.

(OR)

b).Calculate the Gross Profit Ratio from the following figures:

Sales	Rs 1,00,000	Purchases	Rs 60,000
Sales return	Rs 10,000	Purchase Return	Rs 15,000
Opening Stock	Rs 20,000	Closing Stock	Rs 5,000

13. a).Examine the Steps in preparing a Funds Flow Statement?

(OR)

b). Using the indirect method, prepare a Cash Flow Statement with the following data:

Particulars	Rs
Net Profit	50,000
Depreciation	10,000
Increase in Inventory	(5,000)
Increase in Creditors	3,000
Sale of Machinery (Book Value ₹8,000)	10,000
Purchase of Equipment	15,000
Issue of Shares	20,000

14. a).Describe the “Objectives of Budgetary Control”

(OR)

b).From the following estimates, you are required to calculate the average amount of working capital required”

(i).Average amount locked up in stocks:	Rs
Stocks of stores, materials etc	20,000
Stocks of finished goods and work-in-progress	25,000
(ii).Average credit Given:	
Local sales – 3 weeks credit	2,08,000
Export sales – 6 weeks credit	6,24,000
(iii).Time lag in payments:	
Purchases – 3 weeks	1,56,000
Wages – 2 weeks	4,55,000

Add: 10% to allow for contingencies.

15. a).Interpret the characteristics of Marginal Costing?

(OR)

b).	Fixed overhead	Rs 1,20,000.
	Variable overhead	Rs 2,00,000.
	Direct Wages	Rs 1,50,000
	Direct materials	Rs 4,10,000
	Sales	Rs 10,00,000

Calculate the break even point and the P/V Ratio.

SECTION – C

(5 X 5 = 25 MARKS)

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

16. a). Explain the meaning of Management Accounting? Discuss its definition, and importance.

(OR)

b).Justify the objectives and scope of Management Accounting.

17. a). From the following particulars, Prepare the balance sheet of X Ltd which has only one class of share capital.

(i). Sales for the year	Rs 20,00,00;
(ii). Gross Profit ratios	25%

(iii). Current assets ratio	1,50
(iv). QuickAssets (Cash and Debtors) Ratio	1.25
(v). Stock turnover ratio	15.
(vi). Debts collection period	1.5 Months.
(vii). Turnover to fixed assets	1.5
(viii). Ratio of reserve to share Capital	0.33.
(ix). Fixed assets to net worth	0.83

[The term “turnover” refers to cost of sales and the term “stock” to closing stock.

(OR)

b). 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	1.5 months
(vi). Reserve and Surplus to capital	0.2
(vii). Turnover to fixed assets	1.2
(viii). Capital gearing ratio	0.6
(ix). Fixed assets to net worth	1.25
(x). Sales for the year	Rs 12,00,000.

18. a).Appraise the Cash Flow Statement under AS-03, and how is it prepared?

(OR)

b). Prepare a Funds Flow Statement using the following information:

Particulars	Year 1 (₹)	Year 2 (₹)
Fixed Assets	1,00,000	1,20,000
Current Assets	50,000	70,000
Current Liabilities	30,000	40,000
ShareCapital	1,50, 000	1,80,000
Profit for the Year	-	60,000
Long-Term Loan	50,000	40,000

19. a).From the following information, Prepare a cash budget for the period from Jan to April:

Months	Expected sales Rs	Expected Purchase Rs
January	60,000	48,000
February	40,000	45,000
March	45,000	31,000
April	40,000	40,000

Wages to be paid to workers will be Rs 5,000 p.m. Cash Balance of 1st January may be assumed to be Rs 8,000.

(OR)

b). From the following estimates, calculate the amount of working capital required:

Average amount locked up in stock:

Stock of finished goods and Work in Progress Rs 10,000 p.a.

Stock of stores, material etc., Rs 8,000 p.a.

Average Credit Given:

Local sales : 2 weeks Credit : Rs 1,04,000p.a.

Outside state : 6 weeks credit : Rs 3,12,000 p.a.

Time available for payments:

For Purchases (4 weeks)	: Rs 78,000 p. a
For Wages (weeks)	: Rs 2,60,000 p.a.

Add: 10% wages to allow for contingencies.

20. a).Following information relates to a company for two years:

Particulars	2005 Rs	2006 Rs
Sales	38,000	65,000
Profit	-----	3,000
Loss	2,400	----

Calculate: (a).P/V ratio ; (b).Fixed Cost ; (c).Break even sales ; (d).Sales required to earn a profit of Rs 5,000.

(OR)

b).Sales Rs 1,00,000; Variable Cost Rs 15,000; Calculate : (a). P/V Ratio; (b).BEP (Rs); (c).Profit; (d).New BEP if selling price is reduced by 10%;
