

(FOR THE CANDIDATES ADMITTED
DURING THE ACADEMIC YEAR 2023 ONLY)

23UCC617

REG.NO. :

B.Com.-C.A
SEMESTER: VI

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : MAY - 2026

MAXIMUM MARKS: 75
TIME : 3 HOURS

PART - III
MANAGEMENT ACCOUNTING
SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

- Management Accounting is mainly concerned with:_____.
a) External reporting b) Taxation c) Decision making d) Auditing
- Current Ratio is a:_____.
a) Profitability ratio b) Liquidity ratio c) Solvency ratio d) Activity ratio
- Cash Flow Statement is prepared as per:_____.
a) AS-1 b) AS-2 c) AS-3 d) AS-4
- Cash Budget shows:_____.
a) Profit position b) Cost position c) Cash receipts and payments d) Sales forecast
- Break-Even Point is where:_____.
a) Profit is maximum b) Loss is minimum c) No profit, no loss d) Sales are maximum

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES.

(K2)

- What is Management Accounting?
- What is Gross Profit Ratio?
- Recall any two uses of Funds Flow Statement.
- What is Working Capital?
- What is Marginal Cost?

SECTION – B

(5 X 5 = 25 MARKS)

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

11. a) Define Management Accounting and explain its objectives.

(OR)

- b) Evaluate the limitations of Management Accounting.

- 12.a) Current ratio 2.5, Working capital Rs.60,000. Calculate the amount of current assets and current liabilities.

(OR)

- b) Assess are the uses of Ratio analysis?

- 13.a) Compute funds from operations from the following Profit and Loss A/c.

Profit and loss Account

Particulars	Rs.	Particulars	Rs.
To Expenses paid	3,00,000	By Gross profit	4,50,000
To Depreciation	70,000	By Gain on sale 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

(CONTD.....2)

(OR)

- b) Describe Cash flow statement? What are its uses?
- 14.a) Compute a production budget of sales corporation for the year ended on 30th June 2007. From the given particulars.

Product	Sales (units) (as per sales budget)	Estimated stocks (units)	
		1.7.2006	1.7.2007
A	1,50,000	14,000	15,000
B	1,00,000	5,000	4,500
C	70,000	8,000	8,000

(OR)

- b) Explain the sources of Working Capital.
- 15.a) From the following figures, calculate:
- Break-even point
 - Margin of safety and
 - Sales to earn a profit of Rs.1,20,000.

Sales	Rs.6,00,000
Variable costs	Rs.3,75,000
Fixed costs	Rs.1,80,000

(OR)

- b) Examine is 'Key Factor'? with its significance.

SECTION – C**(5 X 8 = 40 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.****(K4 (Or) K5)**

16. a) Explain the tools and techniques of Management Accounting.

(OR)

- b) Distinguish between Management accounting and Cost accounting.

17. a) Following are the details relating to the trading activities of A Ltd.

Stock velocity	8 months
Debtor's velocity	3 months
Creditor's velocity	2 months
Gross profit ratio	25%

Gross profit for the year Rs.4,00,000; Bills receivable Rs.25,000 and Bills payable Rs.10,000.

Closing stock of the year is Rs.10,000 more than the opening stock.

Find out (i) Sales (ii) Debtors (iii) Closing stock (iv) Creditors.

(OR)

- b) From the following given ratios and figures prepare a summarized Balance sheet of XYZ Co.Ltd., for the year ended 31-12-2002.

Working capital	Rs.60,000
Reserve and surplus	Rs.40,000
Bank overdraft	Rs.10,000
Asset (fixed) proprietorship ratio	0.75
Current ratio	2.50
Liquid ratio	1.50

(CONTD.....3)

18. a) From the following Balance Sheets of A Ltd., as on 31st December 2005 and 2006 you are required to prepare:
- Schedule of changes in working capital
 - Funds flow statement

Balance sheets					
Liabilities	2005 (Rs.)	2006 (Rs.)	Assets	2005 (Rs.)	2006 (Rs.)
Share capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General reserve	14,000	18,000	Building	40,000	36,000
P&L A/c	16,000	13,000	Plant	37,000	36,000
Sundry creditors	8,000	5,400	Investments	10,000	11,000
Bills payable	1,200	800	Stock	30,000	23,400
Provision for taxation	16,000	18,000	Bills receivable	2,000	3,200
Provision for DD	400	600	Debtors	18,000	19,000
			Cash at bank	6,600	15,200
	1,55,600	1,55,800		1,55,600	1,55,800

Additional information is given:

- Depreciation: Plant - Rs.4,000: Building -Rs.4,000.
- Provision for taxation of Rs.19,000 was made during the year 2006.
- Interim dividend of Rs.8,000 was paid during the year 2006.

(OR)

- b) Prepare cash flow statement for the year ended 31st December 2000.

Financial position of Thiru Babu					
Liabilities	1-1-2000 (Rs.)	31-12-2000 (Rs.)	Assets	1-1-2000 (Rs.)	31-12-2000 (Rs.)
Bills 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	7,00,000	5,80,000
	7,68,000	6,40,000		7,68,000	6,40,000

Additional data:

- There were no drawings
- There were no purchase or sale of buildings.

- 19.a) The expenses budgeted for production of 10,000 units in a factory are furnished below:

Particulars	Per unit (Rs.)
Materials	70
Labour	25
Variable overhead	20
Fixed overhead (Rs.1,00,000)	10
Variable expense (Direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (50,000) (Fixed for all levels)	5
Total cost P.U (to make and sell)	155

Prepare a flexible budget for the production of (i) 8,000 units and (ii) 6,000 units.

(OR)

(CONTD.....4)

b) XYZ Company wishes to arrange O.D facilities with its bankers during the period April- June, when it will be manufacturing mostly for stock.

(i) Prepare cash budget for the above period from the following data.

Months	Sales (Rs.)	Purchase (Rs.)	Wages (Rs.)
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

(iii) 50% of credit sales is realized in the month following the sale and the other 50% in the second month following. Creditors are paid in the month following the month of purchase.

(iv) Wages are paid at the end of the respective month.

(v) Cash at bank – 1st April – Rs.25,000.

20.a) The sales and profit for 1996 and 1997 are as follows:

Year	Sales (Rs.)	Profit (Rs.)
1996	1,50,000	20,000
1997	1,70,000	25,000

Find out:

(i) P/V Ratio

(ii) BEP

(iii) Sales for a profit of Rs.40,000

(iv) Profit for sales of Rs.2,50,000 and

(v) Margin of safety at a profit of Rs.50,000.

(OR)

b) From the following details, state which product is more profitable to manufacturer? Assume, time as the key factor.

	Product A (per unit) Rs.	Product B (per unit) Rs.
Materials	24	14
Labour (Re.1 per hour)	2	3
Variable overheads (Rs.2 per hour)	4	6
Sale price	100	110
Standard time to produce (in hrs.)	2	3

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