(FOR THE CANDIDATES ADMITTED **SUBJECT CODE** **23 UCO 616**

DURING THE ACADEMIC YEAR 2023-24 ONLY) **REG.NO.**

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : MAY– 2026
B.Com. (AIDED & S.F.) **MAXIMUM MARKS: 75**
VI SEMESTER **TIME : 3 HOURS**

PART – III

MANAGEMENT ACCOUNTING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. (K1)

1. Which is denotes Financial Accounts?
   a) Determination of costs b) Determination of profits
   c) Determination of prices d) Determination of Values
2. Which one number is arithmetical relationship to a ratio?
   a) same number b) another number c) previous number d) second number
3. What includes Current Assets?
   a) Trade investments b) Machinery c) Sundry debtors d) Goodwill
4. In what period budget is prepared?
   a) Indefinite period b) Definite period c) Period of one year d) Six months
5. When fixed cost is Rs.10,000 and P/V ratio is 50%, find BEP?
   a) Rs.20,000 b) Rs.40,000 c) Rs.50,000 d) Rs. 60,000

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

6. Tell Cost Accounting?
7. What is Quick Ratio?
8. What is meant by Fund flow statement.
9. Recall Marginal costing?
10. What is Budgetary Control?

SECTION – B (5 X 5 = 25 MARKS)

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

11. a) State the objectives of management accounting.

(OR)

b) Enumerate the scope of management accounting.

12. a) Sakthi Ltd. submits the following data regarding sales and cost:

Particulars	Amount (Rs.)
Sales	1,00,000
Sales returns	20,000
Cost of sales	50,000

Find out the gross profit ratio.

(OR)

b) Find out: Current Assets and Current Liabilities:
(1) Current Ratio = 2.5 and
(2) Working capital = Rs. 90,000.

13. a) Prepare a statement of changes in Working Capital from the following Balance Sheets of Mani Company Limited.

(CONTD …. 2)

ETHICAL PAPER

Balance Sheets as at 31st December

Liabilities	2003 (Rs.)	2004 (Rs.)	Assets	2003 (Rs.)	2004 (Rs.)
Equity Capital	5,00,000	5,00,000	Fixed assets	6,00,000	7,00,000
Debentures	3,70,000	4,50,00	Long –term Investments	2,00,000	1,00,000
Tax payable	77,000	43,000			
Accounts payable	96,000	1,92,000	Work-in-progress	80,000	90,000
Interest payable	37,000	45,000	Stock in trade	1,50,000	2,25,000
Dividend Payable	50,000	35,000	Accounts Receivable	70,000	1,40,000
			Cash	30,000	10,000
	11,30,000	12,65,000		11,30,000	12,65,000

(OR)

b) Calculate Funds From Operations from the following Income Statement.

Particulars	Amount(Rs.)	Particulars	Amount(Rs.)
To Rent paid	25,000	By Gross Income	5,00,000
To Salaries paid	1,00,000	By Profit on sale of Vehicle	3,000
To Provision for dep.	50,000	By Refund of tax	2,000
To Commission paid	5,000	By Dividend received	10,000
To Provision for taxation	1,50,000		
To General reserve	3,000		
To Loss on sale of investments	10,000		
To Cost of issue of shares written off	2,000		
To provision for legal damages	5,000		
To Net income	1,65,000		
	5,15,000		5,15,000

14. a) Prepare a production budget for each month and a summarized production cost budget for the six months period ending 31st December, 2005 from the following data of product 'S'.

Months	Amount (Rs.)
July, 2005	1,100
August	1,100
September	1,700
October	1,900
November	2,500
December	2,300
January 2006	2,000

(OR)

b) From the following details you are required to make an assessment of the average amount of working capital requirement of AB Ltd.

Items	Average period of credit	Estimate for the First year
Purchase of material	6 weeks	26,00,000
Wages	1 ½ weeks	19,50,000
Overheads:		
Rent, rates etc.	6 months	1,00,000
Salaries	1 months	8,00,000
Other overheads	2 months	7,50,000
Sales (Cash)	-	2,00,000
Sales (Credit)	2 months	60,00,000
Average amount of stock and working progress	-	4,00,000
Average amount of undrawn profit		3,00,000

(CONTD …. 3)

15. a) From the following information find out the amount of profit earned during the year using the marginal costing technique.

Fixed cost	Rs. 2,50,000
Variable cost	Rs. 10 per unit
Selling price	Rs. 15 per unit
Output level	75,000 units.

(OR)

b) From the following information, ascertain by how much the value of sales must be increased by the company to break – even:

Sales Rs. 3,00,000, Fixed cost Rs. 1,50,000 and Variable cost Rs. 2,00,000.

SECTION – C (5 X 8 = 40 MARKS)

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

(K4/K5)

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

(OR)

b) Explain demerits of Management Accounting?

17. a) Given: Current Ratio = 2.8
Acid-test Ratio = 1.5
Working capital = Rs. 1,62,000
Find out: a) Current assets b) Current liabilities and c) Liquid assets.

(OR)

b) Given:
Current Ratio = 1.5
Acid-test Ratio= 1.2
Current liabilities = Rs. 4,00,000
Inventory Turnover Ratio = 5 times
Find out: 1. Current Assets 2. Sales and 3. Liquid Assets.

18. a) The following is the comparative balance sheet of A Ltd. Prepare a Funds flow Statement.

Balance sheet

Liabilities	31.12.96	31.12.97	Assets	31.12.96	31.12.97
Share Capital	8,000	8,500	Land	5,000	5,000
P&L Appr. a/c	1,450	2,450	Plant	2,400	3,400
Creditors	900	500	Debtors	1,650	1,950
Mortgage Loan	-	500	Stock	900	700
			Cash at Bank	400	900
	10,350	11,950		10,350	11,950

(OR)

b) From the following Balance Sheets of S.M. Industries Prepare a Funds Flow Statement.

Liabilities	2003 (Rs.)	2004 (Rs.)	Assets	2003 (Rs.)	2004 (Rs.)
Share capital	60,000	65,000	Good will	30,000	25,000
Profit and Loss A/c	34,000	26,000	Plant & Machinery	60,000	50,000
Current liabilities	12,000	3,000	Current Assets	16,000	19,000
	1,06,000	94,000		1,06,000	94,000

(CONTD …. 4)

Additional Information: 1. Depreciation of Rs. 20,000 on plant and machinery was charged to profit and loss account 2. Dividends of Rs. 12,000 were paid during the year.

19. a) Prepare an estimate of working capital requirement from the following information of a trading concern:

Particulars	
1. Project annual sales	1,00,000 units
2.Selling price	Rs. 8 per unit
3.% age of net profit on sales	25%
4.Average credit period allowed to customers	8 weeks
5.Average credit period allowed by suppliers	4 weeks
6.Average stock holding in terms of sales requirement	12 weeks
7. Allow 10% for contingencies.	

(OR)

b) With the following data for a 60% activity, Prepare a budget for production at 80% and 100 % capacity.

Production at 60% activity	600 units
Materials	Rs. 100 per unit
Labour	Rs. 40 per unit
Direct Expenses	Rs. 10 per unit
Factory Expenses	Rs. 40,000 (40% fixed)
Administrative Expenses	Rs. 30,000 (60% fixed)

20. a) From the following information Calculate

a) Breakeven point

b) Sales required to earn a profit of Rs. 10,000

Sales Rs. 30,000

Variable expenses Rs.14,000

Fixed expenses Rs. 13,000

(OR)

b) The sales turnover and profit during two years were as follows:

Year	Sales (Rs.)	Profit (Rs.)
2003	1,40,000	15,000
2004	1,60,000	20,000

You are required to calculate: 1. P/v Ratio 2. Sales required to earn a profit of Rs.40,000 and 3.Profit when sales are Rs.1,20,000.

ETHICAL PAPER

****