(FOR THE CANDIDATES ADMITTED **SUBJECT CODE** **24 PCO 415**

DURING THE ACADEMIC YEAR 2024-25 ONLY) **REG.NO.**

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

END-OF-SEMESTER EXAMINATIONS : MAY– 2026

M.Com. **MAXIMUM MARKS: 75**

IV SEMESTER **TIME : 3 HOURS**

ACCOUNTING FOR MANAGERIAL DECISION MAKING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS. **(K1)**

1. In which is denotes Management accounting?

   a) Preparation of financial statements b) Analysis and interpretation of data
   c) Recording of transactions d) Interpret the financial data

2. Which is otherwise known as Liquid ratio ?

   a) Acid-test b) Current c) Operating d) Debt-equity

3. Which one of the cash is decrease in creditors?

   a) Outflow b) Inflow c) Operating d) Investing

4. Contribution is the difference between the sales and ------------

   a) Fixed cost b) Variable cost c) Flexible cost d) Profit

5. A budget is tool which helps the management in planning and control of_________

   a) All business activities b) Purchase activities
   c) Sales activities d) Credit activities

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

6. What is Management Accounting?
7. What are the various kinds of Profitability Ratio?
8. What is cash flow statement?
9. Define Break even analysis.
10. Define budget.

SECTION – B (5 X 5 = 25 MARKS)

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

11. a) Describe the characteristics of management accounting.

(OR)

b) State the Functions of Management Accounting.

12. a) From the following details of a business concern calculate net profit ratio:

Particulars	Amount (Rs.)
Sales	3,50,000
Cost of goods sold	1,50,000
Administration Expenses	50,000
Selling expenses	10,000

(OR)

ETHICAL PAPER

b) Following are the Balance sheets of Tarun Ltd. as on 30th june 2004 and 2003:

Liabilities	2004 (Rs)	2005 (Rs.)	Assets	2004 (Rs.)	2005 (Rs.)
Share Capital	1,00,000	1,50,000	Fixed Assets	2,00,000	3,00,000
Reserves	1,00,000	1,00,000	Current Assets	50,000	80,000
Loan	20,000	80,000			
Current liabilities	30,000	50,000			
	2,50,000	3,80,000		2,50,000	3,80,000

Prepare a Comparative Balance Sheet.

13. a) From the following data you are required to calculate the cash from operations: Funds from operations for the year 1998 Rs. 84,000. Current assets and Liabilities as on 1-1-98 and 31-12-98 were as follows:

Particulars	1-1-98 (Rs.)	31-12-98 (Rs.)
Trade creditors	1,82,000	1,94,000
Trade debtors	2,75, 000	3,15,000
Bills receivable	40,000	35,000
Bills payable	27,000	31,000
Inventories	1,85,000	1,70,000
Trade investments	40,000	70,000
Outstanding Expenses	20,000	25,000
Prepaid expenses	5,000	8,000

(OR)

b) From the following P&L A/c. Calculate cash from operation:

Particulars	Rs.	Particulars	Rs.
To salary	2,000	By Gross profit	5,000
To Depreciation	1,000	By Profit on sale of building	5,000
To Loss on sale of furniture	500		
To Goodwill	1,000		
To Net profit	5,500		
	10,000		10,000

14. a) Prepare a production budget for three months ended March 31, 1998 for a factory producing four products, on the basis of the following information:

Type of product	Estimated stock 1.1.98 (Units)	Estimated stock on 31.12.98 (Units)	Sales during Jan – March (Units)
A	4,000	6,000	20,000
B	6,000	10,000	30,000
C	8,000	6,000	26,000
D	6,000	4,000	24,000

(OR)

b) Prepare a production budget for three months ended March 31, 1998 for a factory producing four products, on the basis of the following information:

Type of product	Estimated stock 1.1.2008 (Units)	Estimated stock on 31.12.2008 (Units)	Sales during Jan – March (Units)
A	2,000	3,000	10,000
B	3,000	5,000	15,000
C	4,000	3,000	13,000
D	3,000	2,000	12,000

(CONTD …. 3)

ETHICAL PAPER

15. a) Sales Rs. 1,00,000, Profit Rs. 10,000 and Variable cost 70%

Find out: P/V Ratio and Fixed cost.

(OR)

b) Determine the amount of variable cost from the following particulars:

1. Sales- Rs.1,50,000 2. Fixed cost - Rs.30,000 and 3. Profit - Rs.40,000.

SECTION – C (5 X 8 = 40 MARKS)

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

16. a) Distinguish between management Accounting and Financial Accounting.

(OR)

b) What are the Advantages and Disadvantages of Management Accounting?

17. a) You are given the following information:

Particulars	Amount (Rs.)
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

Calculate a) Current ratio b) Liquidity ratio and c) Absolute liquidity ratio.

(OR)

b) From the following information, prepare a comparative balance sheet of Deepak ltd:

Particulars	31-3-2005 (Rs.)	31-3-2004 (Rs.)
Equity Share capital	50,00,000	50,00,000
Fixed assets	72,00,000	60,00,000
Reserve and surplus	12,00,000	10,00,000
Investments	10,00,000	10,00,000
Long term loans	30,00,000	30,00,000
Current assets	21,00,000	30,00,000
Current liabilities	11,00,000	10,00,000

18. a) Statement of financial position of Mr. Arun is given below:

Liabilities	1.1.98	31.12.98	Assets	1.1.98	31.12.98
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
			Other Fixed Assets	6,00,000	5,00,000
	7,68,000	6,40,000		7,68,000	6,40,000

Additional information:

1. There were no drawings.
2. There were no purchases or sale of either building or other fixed assets.

Prepare a statement of cash flow statement.

(OR)

(CONTD …. 4)

ETHICAL PAPER

b) From the following P&L A/c. Calculate cash from operation:

Particulars	Rs.	Particulars	Rs.
To rent	3,000	By Gross profit	30,00
To Salaries	4,000	By Profit on sale of machinery	5,000
To Depreciation	3,000		
To Goodwill written off	3,000		
To Loss on sale of share	3,000		
To Provision for taxation	4,000		
To net profit	15,000		
	35,000		35,000

19. a) . A company is expecting to have Rs.32,000 cash in hand on 1.4.2005 and it requests you to prepare cash budget for the three months, April to June 2005. The following information is supplied to you.

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Expenses (Rs.)
February	70,000	44,000	6,000	5,000
March	80,000	56,000	9,000	6,000
April	96,000	60,000	9,000	7,000
May	1,00,000	68,000	11,000	9,000
June	1,20,000	62,000	14,000	9,000

Other information:

1. Period of credit allowed by suppliers is two months.
2. 25% of sales is for cash and the period of credit allowed to customers for credit sales is one month.
3. Delay in payment of wages and expenses one month.
4. Income tax Rs. 28,000 is to be paid in June 2005.

(OR)

b) The expenses for the production of 5,000 units in a factory are given as follows:

Particulars	Per unit (Rs.)
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs. 50,000)	10
Administrative expenses (5% variable)	10
Selling expenses (20% fixed)	6
Distribution expenses (10% fixed)	5
Total cost of sales per unit	116

You are required to prepare a budget for the production of 7,000 units.

20. a) The sales turnover and profit during two periods were as follows:

Period 1	Sales Rs.20 Lakhs	Profit Rs. 2 Lakhs
Period 2	Sales Rs. 30 Lakhs	Profit Rs. 4 Lakhs

Calculate:
i) P/V Ratio,
ii) Sales required to earn a profit of Rs. 5 Lakhs and
iii) Profit when sales are Rs. 10 Lakhs.

(OR)

b) The following data are available from the records of a company:

Particulars	Amount(Rs.)
Sales	60,000
Variable cost	30,000
Fixed cost	15,000

You are required to:
a) Calculate the P/V Ratio, Break-Even Point and Margin of Safety at this level.
b) Calculate the effect of 10% increase in sales price.
c) Calculate the effect of 10% decrease in sales price.

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