(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2020-21 ONLY)

SUBJECT CODE 20PCO413

REG.NO. :

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

END-OF-SEMESTER EXAMINATIONS: JULY – 2022

M.Com. **MAXIMUM MARKS: 70**

SEMESTER : IV **TIME : 3 HOURS**

ACCOUNTING FOR MANAGERIAL DECISION MAKING

SECTION – A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS. **(K1)**

(Qn. No. 1 - 5)

1. In which of the year Management Accounting was first used ________________

   a] 1910 b] 1939 c] 1950 d] 1956

2. Comparative Balance Sheet relates to __________________

   [a] Provides a summarized view of the operations of the firm
   [b] Presents the financial position of the firm
   [c] Presents the change in various items of balance sheet
   [d] a, b & c

3. State which of the following is non – current asset________________

   a] Stock b] Goodwill
   c] Prepaid Rent d] Debtors

4. Which type of budget that gives a summary of all the functional budgets and projected profit & loss account is a.________________

   a] Capital budget b] Flexible budget
   c] Master budget d] Discretionary budget

5. The break-even chart helps the management relates to ______________________

   a] Forecasting costs and profits b] Cost Control
   c] Long term planning and growth d] All of the above

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

(Qn. No. 6 - 10)

6. Define Management Accounting.
7. What does the term “Stock Turnover Ratio”?
8. What is the meaning of sources of fund?
9. Define ‘Budgetary control’
10. What do you mean by Variable Cost?

(CONTD………2)

SECTION – B   (5 X 4 = 20 MARKS)

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

(Qn. No. 11 to 15)10 questions (a & b) – 2 questions from each unit.   (K3)

11. a) Describe the scope of management accounting.

(OR)

b) Compute the advantages of management accounting?

12. a) From the following profit and loss account of Gori Ltd., for the year ended on 31st December 1988 and 1989, you are required to prepare and solve a comparative income statement for the year ended 1988 and 1989.

Profit and Loss A/c (Rs. in Lakhs)

Particulars	**1988**	**1989**	**Particulars**	**1988**	**1989**
To cost of goods sold	600	750	By net sales	800	1000
To administrative expenses	20	20			
To selling expenses	30	40			
To net profit	150	190			
Total	**800**	**1000**	**Total**	**800**	**1000**

(OR)

b) Calculate the debtors turnover ratio from the following particulars

Particulars	**Amount (Rs.)**
Cash Sales	6,00,000
Total Sales	12,00,000
Bills Receivable on 1.1.99	45,000
Bills Receivable on 31.12.99	55,000
Debtors on 1.1.99	80,000
Debtors on 31.12.99	1,20,000

13. a) From the following figures given below, calculate cash from operations

Particulars	December 31	
	2000 (Rs.)	**2001 (Rs)**
Trade Debtors	1,50,000	1,30,000
Bills Receivable	50,000	40,000
Stock-in-trade	1,20,000	1,45,000
Prepaid Expenses	30,000	25,000
Accrued Income	20,000	27,500
Sundry Creditors	80,000	1,10,000
Outstanding Expenses	4,000	5,000
Bills payable	30,000	25,000
Income Received in advance	3,000	4,000
Profit made during the year	-	7,50,000

(OR)

b) From the following information find fund flow statement for the year 31.12.2006.

a) Increase in working capital **Rs.**8,000

b) Net profit before writing off goodwill **Rs.**21,000

c) Depreciation for fixed assets **Rs.**8,000

d) Dividend paid **Rs.**7,000

e) Goodwill **Rs.**10,000 written out of profits

f) **Rs.**10,000 share capital was issued for cash

g) Machinery was purchased for **Rs.**20,000

14. a) Shyam Food Product Limited has prepared the following sales budget for the first five months of 2012.

Months	Sales Budget (in units)
January	10,800
February	15,600
March	12,200
April	10,400
May	9,800

The inventory of finished products at the end of every month is to be equal to 25% of the sales estimated for the next month. On Jan 1, 2012 there were 2,700 units of product on hand. There is no work-in-process at the end of any month. Prepare and sketch a production budget for the first quarter of 2012.

(OR)

b) From the following data, prepare and dramatize a production budget for the ABC Co.Ltd:

Stock for the budgeted Period:

Product	**As on 1st January**	**As on 30th June**
A	8,000	10,000
B	9,000	8,000
C	12,000	14,000

Requirements to fulfil sales programme:	Normal Loss in Production
A - 60,000 units	A - 4%
B - 50,000 units	B - 2%
C - 80,000 units	C - 6%

15. a) The fixed expenses of an industrial concern amount to **Rs.**1, 80,000. Its variable cost per unit is **Rs.**29 and selling price is **Rs.**44 per unit. Calculate the break-even point in units and Rupees.

(OR)

b) Siva Ltd. presents the following results for one year, calculate the p/v ratio, BEP and margin of safety

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

SECTION - C   (4 X 10 = 40 MARKS)

ANSWER ANY FOUR OUT OF SIX QUESTIONS

(16th QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS (FROM Qn. No : 17 to 21)   (K4 (Or) K5)

16. Kamalesh & Co. Ltd., furnishes its balance sheet for the years 2013 and 2014 and requests you to prepare and dramatize a comparative balance sheet for those years.

Liabilities	***2013 Rs.***	***2014 Rs.***	***Assets***	***2013 Rs.***	***2014 Rs.***
Equity share capital	80,000	80,000	Land & Buildings	80,000	74,000
8% Debentures	80,000	90,000	Plant & Machinery	60,000	54,000
Retained earnings	40,000	49,000	Furniture	20,000	28,000
Sundry creditors	50,000	70,000	Inventory	40,000	60,000
Bills payable	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
	2,60,000	***3,04,000***		***2,60,000***	***3,04,000***

17. Summarize the differentiate between Management Accounting and Cost Accounting.

18. Following are the details relating to the trading activities of Arun 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: (a) Sales (b) Debtors (c) Closing stock and (d) Creditors.

19. From the following Balance Sheets of 'K' Ltd., as on 31st December 2011 and 2012.

Liabilities	***2011*** **Rs.**	***2012*** **Rs.**	***Assets***	***2011*** **Rs.**	***2012*** **Rs.**
Share capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General reserve	14,000	18,000	Buildings	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
Pro. for taxation	16,000	18,000	Bills receivable	2,000	3,200
Pro. for doubtful debts	400	600	Debtors	18,000	19,000
			Cash at bank	6600	15,200
	1,55,600	***1,55,800***		***1,55,600***	***1,55,800***

Additional information is given:

(a) Depreciation: Plant – **Rs.**4,000: Buildings – **Rs.**4,000
(b) Provision for taxation of **Rs.**19,000 was made during the year 2012.
(c) Interim dividend of **Rs.**8,000 was paid during the year 2012.

Prepare and determine funds flow statement for 2012.

20. The expenses budgeted for production of 5,000 units in a factory are furnished below:

Particulars	**Per Unit (Rs.)**
Materials	40
Labour	30
Direct Expenses	20
Factory expenses (30% Fixed)	30
Selling and distribution expenses (15% fixed)	20
Administration expenses (100% fixed)	5

Prepare and sketch a flexible budget for production of (i) 4,000 units and (ii) 7,000 units and also calculate the cost per unit at those levels of production.

21. The sales turnover and profit during two years were as follows

Year	sales (**Rs.**)	Profit (**Rs.**)
2017	1,40,000	15,000
2018	1,60,000	20,000

Calculate ,
a. p/v ratio,
b. Break-even point,
c. Sales required to earn a profit of **Rs.**40,000
d. Fixed expenses, e. Profit sales are **Rs.** 1,20,000

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