

SECTION – B**(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. (K3)**

11. a) Assess the scope of Management accounting.

(OR)

b) Examine the advantages of Management Accounting.

12. a) Calculate Gross Profit Ratio from the following

Sales	Rs.10,00,000
Sales returns	Rs. 1,00,000
Opening Stock	Rs. 2,00,000
Purchases	Rs. 6,00,000
Purchase returns	Rs. 1,50,000
Closing Stock	Rs. 65,000

(OR)

b) You are given the following information:

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

Calculate Current Ratio

13. a) Calculate funds from operations from the following particulars :

- (a) Net profit for the year ended 31.3.2019 Rs. 6,50,000
- (b) Profit on sale of building Rs.40,000
- (c) Goodwill written off during the year Rs. 10,000
- (d) Old machinery worth Rs. 8,000 has been sold for Rs. 6,500
- (e) Depreciation has been provided on plant at 20% per year. The value of plant is Rs.5,00,000.

(OR)

b) Compute the cash from operations

P & L A/c Balance on 31.3.2019	Rs.4,00,000
P & L A/c Balance on 31.3.2020	Rs.2,50,000
Transfer to General Reserve	Rs. 50,000
Depreciation on Fixed Assets	Rs. 10,000

14. a) Prepare Production Budget for the Quarter ending 31st March 2019.

Budgeted sales for the Quarter	40,000 Tons
Stock on 31 st Dec 2018	8,000 Tons
Required Stock on 31 st March 2019	10,000 Tons

(OR)**(CONTD...2)**

b) A Manufacturing company submits the following figures of Product 'X' for the first quarter of 2020.

Sales (in units)	
January	Rs. 50,000
February	Rs. 40,000
March	Rs. 60,000
Selling price per unit Rs.100	
Target of first Quarter 2020.	
Sales units increased by 20 %	
Selling price increase by 10%	

Prepare Sales Budget

15. a) Sales	Rs.50,000
Fixed cost	Rs.10,000
Profit	Rs.5,000

Calculate variable cost

(OR)

b) Calculate break-even point from the following particulars

Fixed expenses	Rs.1,50,000
Variable cost per unit	Rs.10
Selling price per unit	Rs.15

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. Calculate PV ratio, BEP and Margin of safety

Sales	Rs.2,00,000
Variable Cost	Rs.1,20,000
Fixed Cost	Rs.50,000
Net Profit	Rs. 30,000

17. Distinguish between management accounting and financial accounting

18. Current ratio	=2.8
Acid-test ratio	=1.5
Working capital	=Rs.1,62,000

Calculate :

- (i) Current assets
- (ii) Current liabilities
- (iii) Liquid assets
- (iv) Stock

(CONTD...4)

19. The following is the Comparative Balance Sheets of Pratima & Co. Ltd. As on 30th June 2018 and 30th June 2019.

Balance Sheet

Liabilities	30.6.2018	30.6.2019	Assets	30.6.2018	30.6.2019
Share Capital	1,80,000	2,00,000	Goodwill	24,000	20,000
Reserve Fund	28,000	36,000	Building	80,000	72,000
P& L A/c	39,000	24,000	Machinery	74,000	72,000
Trade Creditors	16,000	10,800	Investments	20,000	22,000
Bank O/D	12,400	2,600	Inventories	60,000	50,800
Provision for Taxation	32,000	34,000	Debtors	40,000	44,400
Provision for doubtful debts	<u>3,800</u>	<u>4,200</u>	Cash	<u>13,200</u>	<u>30,400</u>
	<u>3,11,200</u>	<u>3,11,600</u>		<u>3,11,200</u>	<u>3,11,600</u>

- (i) Depreciation charged on machinery Rs.10,000 and on buildings Rs. 8000
 - (ii) Investments sold during the year Rs.3,000
 - (iii) Rs. 15,000 interim dividend paid during January 2019
 - (iv) Taxes paid during the year Rs.30,000
- Prepare a statement of changes in working capital.

20. Draw up a flexible budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity.

	Per unit (Rs.)
Material	100
Labour	50
Variable expenses (direct)	10
Administrative expenses (50% fixed)	40,000
Selling and distribution expenses (60% fixed)	50,000
Present production (50% activity)	1,000 units

21. Briefly explain the different kinds of Break even charts.

