

(FOR THE CANDIDATES ADMITTED DURING  
THE ACADEMIC YEAR 2019- 2022 ONLY)

(NO.OF PAGES : 6 )

SUB CODE **19 UEC 619**

REG.NO.

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

**END-OF-SEMESTER EXAMINATIONS : JULY – 2022**

**B.Com.-E-Commerce**

**MAXIMUM MARKS: 75**

**SEMESTER: VI**

**TIME : 3 HOURS**

**PART - III**

**MANAGEMENT ACCOUNTING**

**SECTION-A**

**[10X 1=10 MARKS]**

**ANSWER THE FOLLOWING QUESTIONS:**

**(K1)**

**MULTIPLE CHOICE QUESTIONS.**

1. Management accounting helps for.....
  - a) Preparation of financial statements
  - b) Analysis and interpretation of data
  - c) Recording of transaction
  - d) Ascertaining the profit
2. Ratio analysis is a tool of
  - a) Working capital analysis
  - b) Financial analysis
  - c) Profit analysis
  - d) None of these
3. Cash flow statement deals with
  - a) Change in capital
  - b) Reasons for changes in cash movement
  - c) Only the generation of cash in business
  - d) Reasons for changes in working capital
4. Flexible budget is called as
  - a) Fixed budget
  - b) variable budget
  - c) Master budget
  - d) cash budget
5. Fixed expenses = \_\_\_\_\_
  - a) Contribution-profit
  - b) Sales-total cost
  - c) Sales-gross profit
  - d) Contribution+ profit
6. Fixed expenses = \_\_\_\_\_
  - a) Contribution-profit
  - b) Sales-total cost
  - c) Sales-gross profit
  - d) Contribution+ profit

**ANSWER THE FOLLOWING IN ONE OR TWO SENTENCES.**

**(K2)**

6. Define Management accounting.
7. What is mean by Quick Ratio ?
8. What is Cash flow statement ?
9. What is Zero base Budget?

**10.** Define Marginal costing.

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

**SECTION – B** **[5 X 5=25 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) What is Management accounting ? Explain its scope.

**(OR)**

12. b) What are the objectives of Management Accounting?  
 a) Explain the limitations of ratio analysis.

**(OR)**

b) Find out

(i) Debtors turnover and (ii) average collection period from the following information:

	<b>31.3.2018</b>	<b>31.3.2019</b>
	<b>Rs.</b>	<b>Rs.</b>
Annual credit sales	5,00,000	6,00,000
Debtors in the beginning	80,000	1,00,000
Debtors at the end	1,00,000	1,20,000

Days to be taken for the year : 360

13. a) The net profit after making a provision of Rs.330000 for Income Tax of Tata Ltd. for the year ended 31<sup>st</sup> March 2010 amounts to Rs.300000. This figure of the net profit has been arrived at after taking into account the following items:

<b>Particulars</b>	<b>Rs.</b>
Depreciation on Fixed Assets	65000
Preliminary Expenses written off	7000
Bad debts	1000
Loss on sale of furniture	1500
Profit on sale of long term investments	5000

**Calculate Funds from Operations**

**(OR)**

b) Calculate the cash from operations

**TRADING AND PROFIT AND LOSS ACCOUNT**

**for the year ended 31 March 2019**

<b>Particulars</b>	<b>Rs.</b>	<b>Particulars</b>	<b>Rs.</b>
To Purchases	20000	By Sales	30000
To Wages	5000		
To Gross profit c/d	5000		
<b>Total</b>	<b>30000</b>	<b>Total</b>	<b>30000</b>

**(CONTD.....3)**

To Salaries	1000	By Gross profit b/d	5000
To Rent	1000	By profit on sale of building	
To Depreciation on Plant	1000	Book Value	10000
To Loss on sale of furniture	500	Sold for	15000
To Goodwill written off	1000		
To Net profit	5500		
<b>Total</b>	<b>10000</b>	<b>Total</b>	<b>10000</b>

14. a) Prepare a production budget for three months ending March 31,2020 for a factory producing four products, on the basis of the following information:

Type of product	Estimated stock on Jan 1 <sup>st</sup> 2020(units)	Estimated sales during Jan-Mar2020(units)	Desired closing stock Mar 31,2020(units)
A	2,000	10,000	5,000
B	3,000	15,000	4,000
C	4,000	13,000	3,000
D	5,000	12,000	2,000

(OR)

- c) From the following estimates, Calculate the average amount of working capital required.

	Per Annum Rs.
1. Average amount locked up in stock:	
Stock of finished goods and work in progress	10,000
Stock of stores, materials etc.	8,000
2. Average credit given:	
Local sales 2 weeks credit	1,04,000
Outside the state 6 weeks credit	3,12,000
3. Time available for payments:	
For purchases 4 weeks	78,000
For wages 2 weeks	2,60,000
Add 10% to allow for contingencies.	

(CONTD.....4)

15. a) From the following information calculate.

- [i] Break even point
- [ii] Number of units that must be sold to earn a profit of Rs.60,000 per year.
- [iii] ]Number of units that must be sold to earn a net income of 10% on sales.

Sales price	Rs. 20 per unit
Variable cost	Rs.14 per unit
Fixed cost	Rs.79,200

(OR)

b) From the following information find out.

- a) Contribution
- b) B.E.P in units
- c) margin of safety
- d) profit
- e) sales to earn a profit of Rs.6,000

Total fixed costs	Rs.4,500
Total variable costs	Rs. 7,500
Total sales	Rs.15,000
No. of units sold	5,000

SECTION – C

[4X10=40 MARKS]

ANSWER ANY FOUR OUT OF SIX QUESTIONS.

[16<sup>th</sup> QUESTION IS COMPULSORY AND ANSWER ANY THREE QUESTIONS

Q.NO 17 TO 21]

16. BPL Ltd. Wishes tom arrange overdraft facilities with its bankers during the period April to June 2019 when it will be manufacturing mostly for stock . Prepare a cash budget for the above period from the following data, indicating the extent of the bank facilities the company will require at the end of each month:

	Credit sales [Rs]	Purchases [Rs]	Wages [Rs]
February 2019	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

- 50% of credit sales are realized in the month following the sales and remaining 50 % in the second month following. Creditors are paid in the month following in the month of purchase . Lag in payment of wages 1 month.
- Cash at bank on 1-4-2019[estimated] Rs.25,000.

(CONTD.....5)

17. Distinguish between Cost accounting and Management accounting.
18. Summarize the following data calculate
- [i] Gross profit Ratio
  - [ii] Net profit ratio
  - [iii] Stock turnover ratio
  - [iv] Operating ratio
  - [v] Net operating profit ratio

**Trading and profit and loss Account**

Particulars	Amount [Rs.]	Particulars	Amount [Rs]
To Opening stock	1,00,000	By Sales	5,60,000
To purchases	3,50,000	By Closing Stock	1,00,000
To Wages	9,000		
To Gross Profit	2,01,000		
	<b>6,60,000</b>		<b>6,60,000</b>
To Administrative expenses	1,09,000	By Gross profit	2,01,000
To Non-operating expenses	30,000	By Non-operating income	18,000
To Net profit	80,000		
	<b>2,19,000</b>		<b>2,19,000</b>

19. Identify the following balance sheet, prepare funds flow statement.

Liabilities	2018	2109	Assets	2018	2019
Share capital	1,00,000	1,23,500	Cash	16,000	31,500
P&L a/c	50,000	60,000	Building	1,00,000	90,000
General reserve	30,000	50,000	Debtors	60,000	45,000
Creditors	23,000	23,000	Stock	35,000	25,000
Debentures	1,00,000	75,000	Bills receivable	15,000	20,000
			Machinery	80,000	1,20,000
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	3,06,000	3,32,500		3,06,000	3,31,500

Additional information:

- [i] Depreciation on machinery Rs.30,000 and on building Rs.10,000
- [ii] Dividend paid Rs.25,000

20. Outline a Flexible Budget for overhead expense from the following data and determine the overhead rate at 70%, 80% and 90%. Plant capacity and also find a labor hour ratio.

	At 70%	At 80%	At 90%
<b>Variable overhead:</b>			
Indirect labour	-	12,000	-
Stores and Spares	-	4,000	-
<b>Semi-variable overheads:</b>			
Power ( 30% 70% Variable)	-	20,000	-
Repair (60% Fixed)	-	2,000	-
<b>Fixed overheads:</b>			
Depreciation	-	11,000	-
Insurance	-	3,000	-
Salaries	-	10,000	-
Total overheads			
	-	62,000	-
Estimated direct labour hours	1,24,000 hrs.		

21. Trace the following particulars calculate
- [i] P/V ratio
  - [ii] Fixed cost
  - [iii] Profit when the sales are Rs.1,00,000
  - [iv] Sales required to earn a profit of Rs.20,000and
  - [v] Margin of safety for two periods

Period	Sales	Profit
I	1,20,000	9,000
II	1,40,000	13,000

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