(FOR THE CANDIDATES ADMITTED

DURING THE ACADEMIC YEAR 2022ONLY)

22UCC616

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : MAY - 2025

B.Com.-C.A **MAXIMUM MARKS: 50**
SEMESTER: VI **TIME : 3 HOURS**

PART-III
MANAGEMENT ACCOUNTING
SECTION A (10X1=10 Marks)

ANSWER ALL THE QUESTIONS.
MULTIPLE CHOICE QUESTIONS. **K1**

1. The term management accounting was first used in ____________
   (a)1940 (b) 1950 (c) 1960 (d) 1970
2. Identify the item not taken into accounts while computing quick ratio:___________.
   (a) cash (b) bank balance (c) prepaid expenses (d) sundry creditors
3. Which of the following is an example of cash flow from investing activity ?
   (a)Interest received from non-financial company (b) proceeds from issue of shares
   ©Dividend received by a financial enterprise (d) cash purchase of inventories
4. Budgetary control is a system of controlling______________.
   (a) Costs (b) Revenue (c) Time (d) Fixed cost
5. Marginal cost is also known as __________
   (a) Fixed cost (b)Variable cost (c) semi variable cost (d) Direct cost

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

6. Define Management Accounting
7. What does the current ratio indicate?
8. When does flow of funds take place ?
9. What is working capital ?
10. "Marginal Costing is a valuable aid to Management "- Comprehend your view.

SECTION – B (5X3=15 Marks)

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

11(a). Enlist the functions of Management Accounting.

(OR)

(b) Show the objectives of Management accounting.

12(a). M/s. Rakesh & co. Supplies you the following information for the year ending 31sssst march 2013: Credit sales : ₹1,50,000 ; cash sales : ₹2,50,000 ; Returns inward : ₹25,000 : Opening stock: ₹ 25,000 ; Closing stock : ₹35,000.
Find out (I) Inventory turnover when Gross Profit Ratio is 20% (ii) inventory conversion period.

(OR)

(b) List the uses of Ratio Analysis.

13(a). Calculate ' Funds from operation from the information given below as on 31^{st} march, 2013
(i) Net profit for the year ended 31^{st} march 2013, ₹6,50,000.
(ii) Gain on the sale of building ₹35,500
(iii) Goodwill appears in the books at ₹1,80,000 out of that 10 percent has been written off during the year.
(iv) Old machinery worth ₹8,000 has been sold for ₹6,500 during the year.
(v) Depreciation has been provided during the year on machinery and furniture at 20% whose total cost is ₹6,50,000.

(CONTD……..2)

(OR)

(b) List the limitations of cash flow statement.

14(a). From the following figures prepare raw materials purchase Budget for Jan. 2018:

Materials (units)						
Particulars	A	B	C	D	E	F
Estimated stock on January 1	16000	6000	24000	2000	14000	28000
Estimated stock on January 31	20000	8000	28000	4000	16000	32000
Estimated consumption	120000	44000	132000	36000	88000	172000
Standard price per unit	25P.	5P.	15P.	10P.	20P.	30P.

(OR)

(b) What is budgetary control? State its importance .

15(a). Write a note on Break even Analysis.

(OR)

(b). From the following particulars, find out the break even- point :

Variable cost per unit-15
Fixed expenses – 54000
Selling Price per unit-20
What should be the selling price per unit, if the break even point should be brought down to 6000 units?

SECTION -C (5X5=25 MARKS)

ANSWER EITHER a (OR) b IN EACH OF THE FOLLOWING QUESTIONS. K4 & K5

16 (a) Compare Management Accounting with Financial Accounting.

(OR)

(b) Examine the tools of the Management Accounting

17(a) The following is the Balance sheet of New India Ltd., as a March 31, 2016:

LIABILITIES	**Amount**	**ASSETS**	**Amount**
1.Equity and liabilities		Non-current assets :	
1. Shareholders' fund :		Tangible: Fixed assets :	
Share capital:		Land and building	6,50,000
Equity share capital	10,00,000	Plant	8,00,000
Preference share capital	5,00,000	Furniture and fixtures	1,50,000
		Intangible assets:	
		Goodwill	1,00,000
2. Non-current liability		Current assets :	
8% debentures	2,00,000	Trade receivables:	
Long-term loan	1,00,000	Bills receivables	70,000
		Sundry debtors	90,000
3. Currrent liabilities:		Stock	30,000
Bills payable	60,000	Bank balance	45,000
Sundry creditors	70,000	Short term investment	25,000
Bank overdraft	30,000	Prepaid expenses	5,000
Outstanding expenses	5,000		
Total	**19,65,000**	**Total**	**19,65,000**

From the balance sheet calculate :

(a) Current ratio (b) Acid test ratio
(c)Absolute Liquid ratio (d) comment on these ratio.

(CONTD……..3)

(OR)

17(b) Following is the Profit and Loss account of Mr.X for the year ended 31st march,2017

To opening stock	1,00,000	by sales	5,60,000
To purchase	3,50,000	By closing stock	1,00,000
To wages	9,000		
To Gross profit c/d	2,01,000		
	6,60,000		**6,60,000**
To administration expenses	20,000	By Gross Profit B/d	2,01,000
To selling and distribution expense	89,000	By interest on investment (outside business)	10,000
To non-operating expenses	30,000	By profit on sale of investment	8,000
To net profit	80,000		
TOTAL	**2,19,000**	**TOTAL**	**2,19,000**

You are required to calculate
1. Gross Profit Ratio
2. Net Profit Ratio
3. Operating Ratio
4. Operating profit Ratio
5. Administrative Expenses Ratio

18(a) The balance sheet of M/s A and B on 31.03.2015 and 31.03.2016 were as follows:

Liabilities	**31.03.2015**	**31.03.2016**	**Assets**	**31.03.2015**	**31.03.2016**
Creditors	1,20,000	1,32,000	Cash	30,000	21,000
Mrs. A's loan	75,000	-	Debtors	90,000	1,50,000
Loan from Bank	1,20,000	1,50,000	Stock	1,05,000	75,000
Capital	3,75,000	4,59,000	Machinery	2,40,000	1,65,000
			Land	1,20,000	1,50,000
			Building	1,05,000	1,80,000
Total	**6,90,000**	**7,41,000**	**Total**	**6,90,000**	**7,41,000**

During the year a machine costing Rs.30,000 (accumulated depreciation Rs.9,000) was sold for Rs.15,000. The provisions for depreciation against machinery as on 31.03.2015 was Rs.75000 and on 31.03.2016 Rs. 1,20,000. Net profit for the year ended 31.03.2016 amounted to Rs.1,35,000. Prepare Cash Flow Statement.

(OR)

18(b)

Liabilities	**01.01.2013**	**31.12.2013**	**Assets**	**01.01.2013**	**31.12.2013**
Creditors	1,00,000	1,10,000	Cash	25,000	17,500
Mrs.Amar loan	62,000		Debtors	75,000	1,25,000
Loan from Bank	1,00,000	1,25,000	Stock	87,500	62,500
Capital	3,13,000	3,82,500	Machinery	2,00,000	1,37,500
			Land	1,00,000	1,25,000
			Building	87,500	1,50,000
TOTAL	**5,75,000**	**6,17,500**	**TOTAL**	**5,75,000**	**6,17,500**

During the year a machine costing Rs.25,000 (accumulated depreciation Rs.7,500) was sold for Rs.12,500. The Provisions for depreciation against machinery as on 01.01.2013 was Rs.62,500 and on 31.12.2013 Rs.1,00,000. Net profit for the year amounted to Rs.1,12,500. Prepare Fund Flow Statement.

(CONTD……..4)

19(a) The following information at 50% capacity is given. Prepare a flexible budget and forecast the profit or losses at 60%, 70% and 90% capacity.

PARTICULARS	**AMOUNT**
Fixed Expenses:	
Salaries	50,000
Rent and Taxes	40,000
Depreciation	60,000
Administrative Expenses	70,000
Variable Expenses:	
Material	2,00,000
Labour	2,50,000
Others	40,000
Semi Variable Expenses:	
Repairs	1,00,000
Indirect Labour	1,50,000
Others	90,000

It is estimated that fixed expenses will remain constant at all capacities. Semi – Variable expenses will not change between 45% and 60% capacity, will raise by 10% between 60% and 75% capacity, a further increase of 5% when capacity crosses 75%. Estimated Sales at various levels of capacity are:

Capacity	Sales
60%	11,00,000
70%	13,00,000
90%	15,00,000

(OR)

19(b) Point out the sources of working capital.

20(a) The Everest Snow Company manufactures and sells direct to consumers 10,000 Jars of 'Everest Snow' per month at Rs.1.25 Pet Jat. The Company's normal production capacity is 20,000 jars of snow per month. An analysis of cost for 10,000 jars is given below:

Direct Material	1,000
Direct Labour	2,475
Power	140,
Jars	600
Misc. Supplies	430,
Fixed Expenses of Manufacturing, Selling and Administration	7,955
Total	12,600

(OR)

20(b) Sales Rs.1,00,000
Profit Rs.10,000
Variable cost 70%
Find out (i) P/V ratio
(ii) Fixed Cost
(iii) Sales Volume to earn a Profit of Rs.40,000

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