

(FOR THE CANDIDATES ADMITTED DURING
THE ACADEMIC YEAR 2019 -2020 ONLY)

SUBJECT CODE 19UCO620

REG.NO.

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI
END-OF-SEMESTER EXAMINATIONS : JULY– 2022

B.Com.(AIDED & SF)

MAXIMUM MARKS: 75

SEMESTER : VI

TIME : 3 HOURS

PART - III
MANAGEMENT ACCOUNTING

SECTION - A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS.

(K1)

(Qn. No. 1 - 5)

1. Management accounting is suitable for _____.
a) Small trading organization b) Large industrial and trading organization
c) NPOs d) Co-operative societies
2. Which of the following ratio measures short term solvency?
a) Liquidity ratios c) Activity ratios
b) Solvency ratios d) Profitability ratios
3. Funds flow statements are based upon _____.
a) Accrual basis of accounting b) Large basis of accounting
c) Static basis of accounting d) Capacity basis of accounting
4. Budgetary control is a system of controlling _____.
a) Budget b) Finance c) Management d) Cost
5. P/V ratio exhibits the percentage of contribution included in _____.
a) Purchase b) Sales c) Contribution d) Variables

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

(Qn. No. 6 - 10)

6. Define Management Accounting.
7. Define the Debt Equity Ratio.
8. Interpret the fund flow statement.
9. Illustrate the working capital.
10. What is contribution?

(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) Describe the scope of Financial Management.

(OR)

- b) Distinguish between Cost Accounting and Management Accounting

12. a) Ascertain closing debtors from the following data :

Total sales Rs. 40,00,000, Cash sales Rs. 4,00,000. Debtors collection period 60 days (360 days year), Closing bills receivable Rs. 10,000.

(OR)

- b) Discuss the limitations of ratio analysis.

13. a) From the following balances, you are required to calculate cash from operations:

	1997 Rs.	1998 Rs.
Debtors	50,000	47,000
Bills Receivable	10,000	12,500
Creditors	20,000	25,000
Bills Payable	8,000	6,000
Outstanding Expenses	1,000	1,200
Prepaid Expenses	800	700
Accrued Income	600	750
Income received in Advance	300	250
Profit made during the year	-	1,30,000

(OR)

- b) Calculate the funds from operation from the following:

	Rs.		Rs.
Rent	10,000	Depreciation	3,000
Discount on issue of Share	10,000	Goodwill written off	5,000
		Net profit c/d	9,27,000
Preliminary expenses	6,000	Gross profit	9,86,000

14. a) With the following data for a 60% activity, prepare a budget for production at 80% and 100% capacity:

Production at 60% activity 600 units

Materials Rs. 100 per unit

Labour Rs. 40 per unit

Direct expenses Rs. 10 per unit

Factory overheads Rs. 40,000 (40% fixed)

Administrative expenses Rs. 30,000 (60% fixed)

(CONTD 3)

(OR)

b) Elaborate the sources of working capital.

15. a) A company is manufacturing three product X, Y and Z. It supplies you the following information:

	Products (Rs.)		
	X	Y	Z
Direct Materials	2,500	10,000	1,000
Direct Labour	3,000	3,000	1,000
Variable Overheads	2,000	5,000	2,500
Sales	10,000	20,000	5,000

Total fixed overheads Rs. 3,000/-

Prepare a marginal cost statement and determine profit and loss.

(OR)

- b) The fixed cost per month in a factory is Rs. 50,000. The contribution per unit is Rs. 50 for product A and Rs. 25 for B. Which of the following product mixes is most yielding?

- a) 800 A and 1000 B
- b) 1,500 A only
- c) 3,000 B only
- d) 1,200 A and 400 B.

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. 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.

17. Elaborate the functions of management accounting.

18. Summarize the uses of ratio analysis.

19. B.M. Company presents the following information and you are required to calculate the funds from operation from the following:

(CONTD 4)

Profit and Loss Account

	Rs.		Rs.
To Expenses:		By Gross Profit	2,00,000
Operation	1,00,000	By Gain on sale of plant	20,000
Depreciation	40,000		
To Loss on sale of building	10,000		
To Advertisement suspense A/c	5,000		
To Discount (allowed to customers)	500		
To Discount on issue of shares written off	500		
To goodwill	12,000		
To Net profit	52,000		
	<u>2,20,000</u>		<u>2,20,000</u>

20. Calculate variable overhead variances from the following data :

Budgeted production for January 2000	3,000 units
Budgeted variable Overhead	Rs. 15,000
Standard Time for one unit	2 hours
Actual production for January 2000	2,500 units
Actual hours worked	4,500 hours
Actual variable overhead	Rs. 13,500.

21. From the following data, calculate the break-even point of sales in rupees:

Selling price Rs. 20

Variable cost per unit:

Manufacturing Rs. 10

Selling Rs. 5

Overhead (fixed):

Factory overheads Rs. 5,00,000

Selling overheads Rs. 2,00,000
