

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom(CS) DEGREE EXAMINATION MAY 2017
(Sixth Semester)

Branch - CORPORATE SECRETARYSHIP

MANAGEMENT ACCOUNTING

Time : Three Hours

Maximum : 75 Marks

SECTION-A (20 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 2 = 20)

- 1 What is the utility of Management Accounting?
- 2 What is operating ratio?
- 3 What do you understand by Trading Margin ratio?
- 4 What are current Liabilities?
- 5 List out any two limitations of funds flow statement.
- 6 Define cash flow statement.
- 7 Define Marginal costing.
- 8 What are variable costs.
- 9 Mention the objective of budgetary control.
- 10 What is Break even analysis?

SECTION - B (25 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 5 = 25)

- 11 a Bring out the distinction between financial accounting and management accounting.
OR
b Explain the advantages of management accounting.
- 12 a From the following details calculate operating ratio and operating profit ratio.

	Rs.
Sales	10,00,000
Gross Profit	3,00,000
Administration expenses	10,000
Selling expenses	20,000
Loss on sale of plant	2,000
Dividend received	4,000
Depreciation	. 6,000
Net Profit	2,66,000

OR

- b Find out the funds from operations from the details given below :

	Rs.
Net Profit for the year 2006-2007	95,000
Depreciation charges on Fixed assets	42,000
Profit on sale of long term investments included in the P & L a/c	13,000
Good will written off	20,000

- 13 a Calculate the value of Furniture purchased from the following details :

	Rs.
Opening Balance	2,00,000
Closing Balance	3,00,000
Depreciation charged	40,000

OR

Cont ...

- 13 b Compute the Margin of safety :
 Profit : Rs. 2,25,000
 P/V Ratio : 40 %
- 14 a Explain the essentials of successful Budgetary control.
 OR
 b Describe the steps in preparation of Flexible budget.
- 15 a Mention the requirements of installing standard costing in establishment.
 OR
 b The standard cost of material for manufacturing a unit of a particular product PEE is estimated as follows :
 16 kg of raw material at Rs. 1 per kg.
 On completion of the unit it was found that 20 kg of raw material costing Rs. 1.50 per kg has been consumed. Compute material variances.

SECTION - C (30 Marks)

Answer any **THREE** Questions

ALL Questions Carry **EQUAL** Marks (3 x 10 = 30)

- 16 Describe the various modes of Expression of Ratios.
- 17 From the following Balance Sheets of Kavitha Industries Ltd, prepare a funds flow statement for the year 1999-2000 :

Balance Sheet					
Liabilities	98-99	99-2000	Assets	98-99	99-2000
	Rs.	Rs.		Rs.	Rs.
Share Capital	2,00,000	2,10,000	Land	1,00,000	1,20,000
Profit & Loss A/C	28,000	49,000	Investment	28,000	48,000
Bank Loan	-	10,000	Stock	58,000	54,000
Creditors	1,39,000	30,000	Debtors	53,000	59,000
			Cash at Bank	28,000	18,000
	2,67,000	2,99,000		2,67,000	2,99,000

- 18 From the following data calculate :
 a) P/V Ratio (b) Sales required to earn a profit of Rs.2,80,000.

	Rs.
Sales	4,00,000
Variable overhead	3,00,000
Gross Profit	1,00,000
Fixed Overhead	30,000
Net Profit	70,000

- 19 From the following particulars, prepare production budget for 3 months ending 30th June 1993:

	Estimated Sales Units
April 1993	1,40,000
May 1993	1,60,000
June 1993	1,30,000
July 1993	1,20,000

It is the policy of the company to maintain 50% of the month's sales as opening stock.

- 20 A factory employing 2,500 workers budgeted to work for 40 hours in a week and the agreed labour rate per hour was Rs.20 during a particular week the factory worked only 35 hours, 5 hours being lost due to power failure. Calculate Labour Idle Time Variance.