

PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)

BCom (CS) DEGREE EXAMINATION DECEMBER 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 (10x2=20)

- 1 List out any two characteristics of Management Accounting.
- 2 What are the advantages of Management Accounting?
- 3 What is Ratio?
- 4 What is Operating Ratio?
- 5 What is Cash flow?
- 6 What are Current Assets?
- 7 Define Fixed Budget.
- 8 What is Production Budget?
- 9 What is Margin of Safety?
- 10 What is Key Factor?

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 Mention the tools and techniques of Management Accounting.

- 12 a Aruna Bros, furnish the following details for the year 2007.

	Rs.
Sales	2,00,000
Cost of Production	80,000
Opening Stock of finished goods	50,000
Closing Stock of finished goods	31,000
Sales Returns	20,000

Calculate gross profit ratio.

OR

- b Tamarind Co.,Ltd., Current liabilities are Rs.50,000; Quick ratio is 1.5:1; Inventory is Rs.25,000. Calculate Current Assets.

- 13 a Find out the provision for Income Tax made during the financial year 2003-2004.

	Rs.
Balance of Provision for Tax on 01.04.2003	2,65,000
Balance of Provision for Tax on 31.03.2004	2,90,000
Tax paid during 2003-2004	3,00,000

OR

- b 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

- 14 a Mention the essentials of a successful Budgetary control.

OR

- 14 Cont...  
 b Explain the classification of budgets according to time.
- 15 a Discuss the utility of Variance Analysis.

OR

- b Standard Rate per Labour hour in a factory was Rs.20. However, during a month payment was made for 26,000 Labour hours at Rs.22 each. Compute labour rate variance.

SECTION - C (30 Marks)

Answer any THREE Questions

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

- 16 Describe the steps in Ratio Analysis.
- 17 Using the following accounting information construct a Balance Sheet.
- (a) Gross Profit (20% of sales) Rs.6,00,000  
 (b) Shareholders equity Rs.5,00,000  
 (c) Credit Sales to total 80%  
 (d) Total assets turnover: 3 times  
 (e) Average collection period (360 days in a year): 18 days  
 (f) Current ratio 1.6  
 (g) Long term debt to equity 40%
- 18 M. Karupan, a sole trader provides the following balance sheets and additional information to you with the request to prepare his funds flow statement for the year ending 31.12.2007.

BALANCE SHEET

Liabilities	2006 Rs.	2007 Rs.	Assets	2006 Rs.	2007 Rs.
Capital	80,000	1,20,000	Cash	20,000	26,000
Creditors	30,000	40,000	Cash at Bank	30,000	44,000
Loan from Mrs. Karupan	60,000	68,000	Stock	40,000	30,000
Loan from Canara Bank		50,000	Debtors	20,000	25,000
			Furniture	40,000	36,000
			Machinery	20,000	1,17,000
	1,70,000	2,78,000		1,70,000	2,78,000

During 2007, Depreciation charged on Furniture and Machinery was at 10% on the opening balance M. Karupan withdrew Rs.20, 000 during the year for his personal expenses.

- 19 Margin of safety ratio is 20%  
 P.V.Ratio is 60%  
 Fixed cost = Rs.60,000  
 Find out: (a) BEP Sales  
 (b) Actual sales for the year  
 (c) Variable cost for the year  
 (d) Profit for the year
- 20 Calculate Labour Cost and Rate variance from the following data:  
 Standard hours: 80  
 Rate: Rs.6 per hour  
 Actual hours: 100  
 Rate: Rs.8 per hour