

**PSG COLLEGE OF ARTS & SCIENCE  
(AUTONOMOUS)**

**BCom DEGREE EXAMINATION MAY 2025  
(Sixth Semester)**

Common to Branches – **COMMERCE/ COMMERCE (CA)/ e-COMMERCE/ COMMERCE  
(A&F)/ COMMERCE (RM)/ COMMERCE (FS)/ COMMERCE (FT)/ COMMERCE (BPS)/  
COMMERCE (B&I)**

**MANAGEMENT ACCOUNTING**

Time: Three Hours

Maximum: 50 Marks

**SECTION-A (5 Marks)**

Answer ALL questions

ALL questions carry EQUAL marks

(5 x 1 = 5)

- 1 What is the main objective of management accounting?  
(i) To identify and analyze the result of business operations.  
(ii) To study business transactions  
(iii) To check and maintain accounting records  
(iv) To remind the amount due to customers
- 2 The current ratio can be numerically expressed in which of the following equation  
(i) Current ratio = Current assets – current liabilities  
(ii) Current ratio = Current assets + current liabilities  
(iii) Current ratio = Current assets / current liabilities  
(iv) Current ratio = Current assets current liabilities
- 3 Select the correct formula for calculation of the working capital from the following four options.  
(i) Working capital = Current assets – current liabilities  
(ii) Working capital = current assets + current liabilities  
(iii) Working capital = Current assets/current liabilities  
(iv) Working capital = Current liabilities – Current assets
- 4 Budgeting is  
(i) a Technique (ii) a method of costing  
(iii) Maintain ledger Accounts (iv) cash
- 5 Which of the terms given below will help an organisation in decision-making?  
(i) Total cost (ii) Fixed cost (iii) Opportunity cost (iv) Marginal cost

**SECTION - B (15 Marks)**

Answer ALL Questions

ALL Questions Carry EQUAL Marks

(5 x 3 = 15)

- 6 a Outline the functions of management Accounting.  
OR  
b State the Nature of Management Accounting.
- 7 a From the following data, calculate current ratio.  
Liquid assets - Rs. 100,000  
Stock - Rs. 90,000  
Prepaid expenses - Rs. 60,000  
Working capital - Rs. 150,000  
OR  
b. From the following details, calculate debtors turnover ratio.  
Total sales for the year - Rs.175,000  
Cash sales - 20% of total sales  
Sales returns out of creditsales - Rs.10,000  
Sundry Debtors  
Opening balance - Rs. 8,000  
Closing balance - Rs. 12,000

Cont...

- 8 a. Calculate Funds from operation from the following Profit and Loss Appropriation account  
Profit and Loss Appropriation account.

Profit & Loss Appropriation A/c			
Particulars	Amount Rs	Particulars	Amount Rs
To Salaries	10,000	By Gross Profit	1,00,000
To Rent	6,000	By Profit on sale of equipment Book value 20,000 Sold for 30,000	10,000
To Depreciation on plant	10,000		
To Stationery	6,000		
To Preliminary exp written off	4,000		
To Goodwill written off	6,000		
To Provision for tax	8,000		
To Proposed dividend	12,000		
To Net Profit taken to balance sheet	48,000		
	110,000		110,000

OR

- b. Calculate cash from operations from the following information

Sales	-	Rs.100,000
Purchases	-	Rs. 57,000
Expenses	-	Rs. 12,000
Creditors at the end of the year	-	Rs.20,000
Creditors at the beginning of the year	-	Rs.17,000

- 9 a. Outline the objectives of Budgetary Control.

OR

- b. You are required to prepare a production budget for the half year ending June 2024 from the following information

Product	Budgeted Sales quantity in units	Actual Stock on 31-12-2023	Desired Stock as on 30-6-2024
S	20,000	4,000	5,000
T	50,000	6,000	10,000

- 10 a. You are required to calculate  
(i) Break –even Point  
(ii) Profit when sales amounted to Rs.120,000  
Variable cost - Rs.600,000  
Fixed cost - Rs.300,000  
Net profit - Rs.100,000  
Sales - Rs.10,00,000

OR

- b. Calculate the material cost valance from the following data

	Standard	Actual
Quantity	400 kgs	460kg
Price	Rs. 2/kg	Rs.1.5/kg
Value	Rs.800	Rs.690

### SECTION -C (30 Marks)

Answer any Three questions

ALL questions carry EQUAL Marks

(3 x 10 = 30)

- 11 Distinguish between Management Accounting and Cost Accounting.  
12 The Sudeesh @ Co.Ltd furnishes its balancesheet for the year 2022 and 2023 and request you to Prepare a comparative balancesheet for those years

Balance sheet					
Liabilities	2022	2023	Assets	2022	2023
Equity Share Capital	80,000	80,000	Land	80,000	74,000
8% Debentures	80,000	90,000	Machinery	60,000	54,000
Retained Earnings	40,000	49,000	Furniture	20,000	28,000
Sundry Creditors	50,000	70,000	Inventory	40,000	60,000
Bills payable	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
	260,000	304,000		260,000	304,000

Cont...

13. From the following balance sheets, prepare funds flow statement and schedule of changes in working capital

Liabilities	2023	2024	Assets	2023	2024
Share Capital	240,000	360,000	Buildings	166,200	339,600
Share Premium	24,000	36,000	Machinery	106,800	153,900
Reserve	18,000	27,000	Furniture	7,200	4,500
Profit and Loss A/c	58,500	62,400	Stock	66,300	78,000
8% Debentures	-	78,000	Debtors	109,500	117,300
Provision for tax	29,400	32,700	Bank	14,400	12,000
Creditors	100,500	109,200			
	470,400	705,300		470,400	705,300

Depreciation Written off during the year :

On Machiner - Rs.38,400

On Furniture - Rs. 1,200

14. The expenses for the budgeted production of 10,000 units in a factory are given below:

	Per unit
Direct materials	70
Direct labour	25
Variable overhead	20
Fixed overhead (1,00,000)	10
Variable expenses (direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administrative expenses (Rs 50,000)	5
Total cost per unit	155

Prepare flexible budget for production of i. 8,000 units' ii 6,000 units

15. Following figures of sales and Profit for two periods are available in respect of a concern.

	Sales	Profit
Period I	100,000	15,000
Period II	120,000	23,000

You are required to find out

- (i) P/v ratio
- (ii) Fixed cost
- (iii) Break Even Point
- (iv) Profit at an estimated sale of Rs.125,000
- (v) Sales required to earn a Profit of Rs.20,000

Z-Z-Z

END

