

PSG COLLEGE OF ARTS & SCIENCE (AUTONOMOUS)

BCom DEGREE EXAMINATION DECEMBER 2025
(Sixth Semester)

Branch – **CORPORATE SECRETARSHIP**

MANAGEMENT ACCOUNTING

Time: Three Hours

Maximum: 50 Marks

SECTION-A (5 Marks)

Answer ALL questions

**Answer ALL questions
All questions carry EQUAL marks**

$$(5 \times 1 = 5)$$

**ALL questions carry 2 marks
(One Question from each unit)**

- 1 The use of management accounting is
 - i) Optional
 - ii) Compulsory
 - iii) Legally obligatory
 - iv) Compulsory to some and optional to others
- 2 Capital gearing ratio is _____
 - i) Market test ratio
 - ii) Long-term solvency ratio
 - iii) Liquid ratio
 - iv) Turnover ratio
- 3 Statement of cash flows includes
 - i) Financing Activities
 - ii) Operating Activities
 - iii) Investing Activities
 - iv) All of the Above
- 4 What is the company's breakeven point?
 - i) 8,000 unit's
 - ii) 8,333 units
 - iii) 10,000 units
 - iv) 10,909 units
- 5 In element-wise classification of overheads, which one of the following is not included —
 - i) Fixed overheads
 - ii) indirect labour
 - iii) Indirect materials
 - iv) Indirect expenditure.

SECTION - B (15 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks

$$(5 \times 3 = 15)$$

6 a Enlist the various functions of management accounting
OR
b. Explain the advantages of Management Accounting

7 a. From the following information calculate
a) current assets b) Current liability c) inventory
Current Ratio = 2.8, Liquid ratio = 1.5
Working Capital = Rs 90,000
OR

Calculate i) Creditors turnover ratio and average payment period		
Particulars	31/3/2020(RS)	31/3/2021(RS)
Annual credit purchase	6,80,000	7,50,000
Creditors on 1 st April	80,000	60,000
Creditors on 31 st March	60,000	90,000

(Take 360 days in a year)

Cont.

8 a. From the following information calculate cash flow from operating activities

Particulars	2020 Amount Rs	2021 Amount Rs
Bills receivables	20,000	25,000
Debtors	1,00,000	80,000
Outstanding expenses	1,600	2,000
Creditors	50,000	40,000
Accrued Income	12,000	14,000
Bills payable	80,000	50,000
Surplus (balance as per statement of p&L	1,00,000	3,60,000

OR

b. Find out the changes in the working capital from the balance sheet data given below

Particulars	31.12.2001(Rs)	31.12.2002(Rs)
Capital &liabilities :		
Share capital	3,00,000	3,75,000
Trade creditors	1,06,000	70,000
Profit &Loss A/c	14,000	31,000
Total liabilities	4,20,000	4,76,000
Assets :		
Machinery	70,000	1,00,000
Stock in trade	1,21,000	1,36,000
Debtors	1,81,000	1,70,000
Cash	48,000	70,000
Total assets	4,20,000	4,76,000

9 a. What are the objectives of budgetary control?

OR

b. What are the importances of budget?

10 a Determine the amount of variable cost from the following particulars

Sales : Rs 1.50,000
Fixed cost : Rs 30,000
Profit : Rs 40,000

(or)

b. From the following information find out the amount of profit earned during the year using the marginal costing technique:

Fixed cost: Rs 2, 50,000
Variable cost: Rs 10 per unit
Selling price : Rs 15 per unit
Output level : 75,000 unit

SECTION -C (30 Marks)

Answer any Three questions

ALL questions carry EQUAL Marks

(3 x 10 = 30)

11. Distinguish between the management account and financial accounting.

12. The following is the Trading and Profit and loss account of a proprietor for the year ending March 31st 2021

Particulars	Rs	Particulars	Rs
Opening stock	76,250	Sales	5,00,000
Purchase	3,15,250	Closing stock	98,500
Factory expenses	7,000		
Gross profit c/d	2,00,000		
	5,98,500		5,98,500
Administrative expenses	1,01,000	Gross profit b/d	2,00,000
Selling expenses	12,000	Non-operating Income	6,000
Non-operating expenses	9000		
Net profit	84,000		
	2,06,000		2,06,000

You are required to calculate a) Expenses ratio b) gross profit ratio c) operating ratio d) operating profit ratio e) net profit ratio

13 The balance sheet of XY Ltd as on 1.1.2001 and 31.12.2001 are given below.

Liabilities	Rs 1.1.2001	Rs 31.12.2001	Assets	Rs 1.1.2001	Rs 31.12.2001
Share capital	1,25,000	1,53,000	Cash	10,000	47,000
Bank loan	40,000	50,000	Debtors	30,000	50,000
Lone from financial Institution	25,000	----	Stock	35,000	25,000
Creditors	40,000	44,000	Machinery	80,000	55,000
Profit & loss A/c	1,00,000	1,20,000	Land	40,000	50,000
			Building	35,000	60,000
			Good will	1,00,000	80,000
Total	3,30,000	3,67,000	Total	3,30,000	3,67,000

Other Information;

a) Dividend paid Rs.15,000 during the year.
 b) Rs.20,000 worth of machinery was sold at book value.

With the help of the above information prepare Cash Flow Statement.

14. What do you understand by budgetary control? What are the advantages of this system?

15. The sales turnover and profit during two years were as follows

	Sales (Rs)	Profit (Rs)
1999	1,40,000	15,000
2000	1,60,000	20,000

You are required to find out:

- P/V ratio
- Sales required to earn a profit Rs 40,000
- Profit when sales are Rs 1,20,000

