**23COU625N/23COC626N/23COE625N/23AFU625N/23CRM625N/ 23FSU625N/23FTU625N/23BPU625N/23CBI625N**

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

**BCom DEGREE EXAMINATION MAY 2026**
(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: 75 Marks

**SECTION-A (10 Marks)**
Answer **ALL** questions
**ALL** questions carry **EQUAL** marks (10 × 1 = 10)

| Module No. | Question No. | Question | K Level | CO |
|---|---|---|---|---|
| 1 | 1 | Management Accounting is:<br>(i) Compulsory by law (ii) Optional<br>(iii) Mandatory for public companies only (iv) Required for tax purposes | K1 | CO1 |
| | 2 | Management Accounting is wider than:<br>(i) Auditing (ii) Financial Accounting (iii) Taxation (iv) Banking | K2 | CO1 |
| 2 | 3 | Which is the ideal liquid ratio of any entity?<br>(i) 1:1 (ii) 2:1 (iii) 1:2 (iv) None | K1 | CO2 |
| | 4 | Which type of analysis is also known as Common size analysis?<br>(i) Horizontal analysis (ii) Vertical analysis<br>(iii) Ratio analysis (iv) Trend analysis | K2 | CO2 |
| 3 | 5 | Repayment of loan of Rs.1,00,000 by a company is<br>(i) Source of funds (ii) Application of funds<br>(iii) Increase in working capital (iv) Decrease in liabilities | K1 | CO3 |
| | 6 | Cash flows from operating activities include all of the following Except?<br>(i) Net profit (ii) Interest payments<br>(iii) Dividend received (iv) Sale of fixed assets | K2 | CO3 |
| 4 | 7 | Flexible budget is more useful when:<br>(i) Output is constant (ii) Output fluctuates<br>(iii) Sales are fixed (iv) Costs are fixed | K1 | CO4 |
| | 8 | Budgetary Control helps in:<br>(i) Planning (ii) Controlling (iii) Performance evaluation (iv) All of the above | K2 | CO4 |
| 5 | 9 | Break Even Point is where:<br>(i) Profit is maximum (ii) Sales equal Variable Cost<br>(iii) Total Cost equals Total Revenue (iv) Contribution is zero | K1 | CO5 |
| | 10 | Standard Costing helps in:<br>(i) Cost control (ii) Planning (iii) Performance evaluation (iv) All of the above | K2 | CO5 |

**SECTION - B (35 Marks)**
Answer **ALL** questions
**ALL** questions carry **EQUAL** Marks (5 × 7 = 35)

| Module No. | Question No. | Question | K Level | CO |
|---|---|---|---|---|
| 1 | 11.a. | Examine the limitations of Management Accounting. | K4 | CO1 |
| | | (OR) | | |
| | 11.b. | Categorize the type of decisions supported by Management Accounting. | | |
| 2 | 12.a. | Sales Rs.2,00,000 Cost of Goods Sold Rs.1,20,000<br>Gross Profit Rs.80,000 Operating Expenses Rs. 40,000 Net Profit Rs.40,000<br>Prepare Common Size Statement. | K2 | CO2 |
| | | (OR) | | |
| | 12.b. | Sales = Rs.12,00,000 Average Debtors = Rs.2,00,000<br>Credit Sales = 80% of Total Sales<br>Find:<br>a) Credit Sales b) Debtors Turnover Ratio | | |
| 3 | 13.a. | Following are the extracts from the Balance sheets of Anderson ltd. as on 31st March 2023 and 31st march 2024. you are require to ascertain the funds from operations. | K3 | CO3 |

| Particulars | 31.03.24 Rs. | 31.03.23 Rs. |
|---|---|---|
| P&L Appropriation a/c | 40,000 | 30,000 |
| General reserve | 25,000 | 20,000 |
| Goodwill | 5,000 | 10,000 |
| Preliminary expenses | 4,000 | 6,000 |
| Provision for depreciation on machinery | 12,000 | 10,000 |

<table>
<tr><td rowspan="2">3</td><td colspan="2">(OR)</td><td rowspan="2">K3</td><td rowspan="2">CO3</td></tr>
<tr><td>13.b.</td><td>From the following information given below, calculate cash flows from financing activities.
<table>
<tr><td></td><td>2023<br>Rs.</td><td>2024<br>Rs.</td></tr>
<tr><td>Equity share capital</td><td>2,00,000</td><td>3,00,000</td></tr>
<tr><td>8% debentures</td><td>1,00,000</td><td>50,000</td></tr>
<tr><td>Securities premium</td><td>20,000</td><td>30,000</td></tr>
<tr><td>Bank loan (long term)</td><td>---</td><td>1,00,000</td></tr>
</table>
Additional information: Interest paid on debentures Rs.8000.</td></tr>
<tr><td rowspan="3">4</td><td>14.a.</td><td>A Company Produces 10,000 units. The budgeted expenses are:<br>Direct Material Rs.50,000    Direct Labour Rs. 30,000<br>Factory Overload Rs .20,000    Administration Expenses Rs.10,000<br>Prepare a fixed budget.</td><td rowspan="3">K2</td><td rowspan="3">CO4</td></tr>
<tr><td colspan="2">(OR)</td></tr>
<tr><td>14.b.</td><td>A Factory operates at 50% Capacity producing 10,000 units.<br>Direct material 50 per unit    Direct Labour 30 per unit<br>Variable Overload 20 per unit    Fixed Overloads Rs.2,00,000<br>Prepare a flexible budget for 50% , 75% and 100% capacity.</td></tr>
<tr><td rowspan="3">5</td><td>15.a.</td><td>From the following information, calculate the break even point in units and in sales value:<br>Output =3000 units    Selling price per unit=Rs.30<br>Variable cost per unit =Rs.20    Total fixed cost=Rs.20,000</td><td rowspan="3">K3</td><td rowspan="3">CO5</td></tr>
<tr><td colspan="2">(OR)</td></tr>
<tr><td>15.b.</td><td>The standard materials required for producing 100 units is 120 kgs.<br>A standard price of 0.50 paise per kg is fixed and 2,40,000 units were produced during the period. Actual materials purchased were 3,00,000 kgs, at a cost of Rs.1,65,000. Calculate Material Variance.</td></tr>
</table>

## SECTION -C (30 Marks)

Answer **ANY THREE** questions
**ALL** questions carry **EQUAL** Marks (3 × 10 = 30)

<table>
<tr><th>Module No.</th><th>Question No.</th><th>Question</th><th>K Level</th><th>CO</th></tr>
<tr><td>1</td><td>16.</td><td>Distinguish between Management Accounting and Financial Accounting.</td><td>K4</td><td>CO1</td></tr>
<tr><td>2</td><td>17.</td><td>The comparative statements of income and financial position are given below:
<table>
<tr><td></td><td>2012 Rs.</td><td>2013 Rs.</td></tr>
<tr><td>Net sales</td><td>1,00,000</td><td>1,50,000</td></tr>
<tr><td>Less cost of sales</td><td>70,000</td><td>1,10,000</td></tr>
<tr><td>Gross Profit</td><td>30,000</td><td>40,000</td></tr>
<tr><td>Less operating Expenses</td><td>20,000</td><td>25,000</td></tr>
<tr><td>Net Profit</td><td>10,000</td><td>15,000</td></tr>
<tr><td>Cash in hand</td><td>5,000</td><td>8,000</td></tr>
<tr><td>Cash at bank</td><td>4,000</td><td>2,000</td></tr>
<tr><td>Debtors</td><td>40,000</td><td>25,000</td></tr>
<tr><td>Stock at Cost</td><td>15,000</td><td>10,000</td></tr>
<tr><td>Fixed Asset (Net)</td><td>56,000</td><td>65,000</td></tr>
<tr><td></td><td>1,20,000</td><td>1,10,000</td></tr>
<tr><td>Creditors</td><td>36,000</td><td>12,000</td></tr>
<tr><td>Bills Payable</td><td>2,000</td><td>1,000</td></tr>
<tr><td>Mortgage loan</td><td>10,000</td><td>20,000</td></tr>
<tr><td>Equity Share Capital</td><td>60,000</td><td>70,000</td></tr>
<tr><td>Reserve & Surplus</td><td>12,000</td><td>7,000</td></tr>
<tr><td></td><td>1,20,000</td><td>1,10,000</td></tr>
</table>
You are required to calculate the following ratios for both years:<br>a) Current Ratio b) Acid test Ratio c) Debtors Turnover Ratio<br>d) Average Collection Period e) Stock Turnover Ratio (Assume 360 days in a year)</td><td>K2</td><td>CO2</td></tr>
</table>

<table>
<tr>
<td>3</td>
<td>18</td>
<td>
The following details are available from a company.
<table>
<tr><th></th><th>31.12.20</th><th>31.12.21</th><th></th><th>31.12.20</th><th>31.12.21</th></tr>
<tr><td>Share capital</td><td>70,000</td><td>74,000</td><td>Cash</td><td>9,000</td><td>7,800</td></tr>
<tr><td>Debentures</td><td>12,000</td><td>6,000</td><td>Debtors</td><td>14,900</td><td>17,700</td></tr>
<tr><td>Reserve for doubtful debts</td><td>700</td><td>800</td><td>Stock</td><td>49,200</td><td>42,700</td></tr>
<tr><td></td><td></td><td></td><td>Land</td><td>20,000</td><td>30,000</td></tr>
<tr><td>Trade creditors</td><td>10,360</td><td>11,840</td><td>Goodwill</td><td>10,000</td><td>5,000</td></tr>
<tr><td>P&L a/c</td><td>10,040</td><td>10,560</td><td></td><td></td><td></td></tr>
<tr><td></td><td>1,03,100</td><td>1,03,200</td><td></td><td>1,03,100</td><td>1,03,200</td></tr>
</table>
In addition you are given:<br>
1. Dividend paid total Rs.3,500<br>
2. Land was purchased for Rs.10,000<br>
3. Amount for amortization of goodwill Rs.5000<br>
4. Debentures paid off Rs.6000<br>
Prepare Cash flow statement.
</td>
<td>K4</td>
<td>CO3</td>
</tr>
<tr>
<td>4</td>
<td>19</td>
<td>
A company is expecting to have Rs.32,000 cash in hand on 1st April 2010 and it requires you to prepare an estimate of cash position during the three months, April to June 2020, The following information is supplied to you.
<table>
<tr><th></th><th>Sales Rs.</th><th>Purchases Rs.</th><th>Wages Rs.</th><th>Expenses Rs.</th></tr>
<tr><td>February</td><td>70,000</td><td>44,000</td><td>6,000</td><td>5,000</td></tr>
<tr><td>March</td><td>80,000</td><td>56,000</td><td>9,000</td><td>6,000</td></tr>
<tr><td>April</td><td>96,000</td><td>60,000</td><td>9,000</td><td>7,000</td></tr>
<tr><td>May</td><td>1,00,000</td><td>68,000</td><td>11,000</td><td>9,000</td></tr>
<tr><td>June</td><td>1,20,000</td><td>62,000</td><td>14,000</td><td>9,000</td></tr>
</table>
Other information:<br>
a) period of credit allowed by suppliers two months<br>
b) 25% of sale is cash and period of credit allowed to customers for credit sale one month,<br>
c) Delay in payment of wages and expenses - one month.<br>
d) Income tax of Rs.28,000 is to be paid in June 2010.
</td>
<td>K3</td>
<td>CO4</td>
</tr>
<tr>
<td>5</td>
<td>20</td>
<td>Discuss the various techniques of Marginal Costing with suitable examples.</td>
<td>K2</td>
<td>CO5</td>
</tr>
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Z-Z-Z END