

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)

BCom(CS) DEGREE EXAMINATION MAY 2022
(Sixth Semester)

Branch – CORPORATE SECRETARYSHIP

MANAGEMENT ACCOUNTING

Time: Three Hours

Maximum: 75 Marks

SECTION-A (10 Marks)

Answer ALL questions

ALL questions carry EQUAL marks (10 x 1 = 10)

1. Which of the following is concerned with Management Accounting?
(i) Recording of accounting data (ii) Recording of costing data
(iii) Presentation of accounting data (iv) Presentation of finance data
2. Identify the basic objective of Management Accounting:
(i) To ascertain profit or loss
(ii) To report to different levels of management on performance
(iii) To settle disputes between management and workers
(iv) To report to government
3. Solvency Ratios indicate
(i) Credit worthiness (ii) Profitability
(iii) Activity (iv) Turnover
4. Current Ratio indicates
(i) Ability to meet long term obligations (ii) Efficiency of Management
(iii) Profitability (iv) Ability to meet short term obligations
5. The term "Fund" in Fund Flow Statement indicates
(i) Reserves (ii) Working Capital (iii) Profits (iv) Cash
6. As per AS-3, Dividend paid is stated under
(i) Cash flow from Financing Activity (ii) Cash flow from Operating Activity
(iii) Cash flow from Investing Activity (iv) Cash flow from Business Activity
7. Identify the type the Sales Budget belongs to
(i) Cash Budget (ii) Functional Budget
(iii) Master Budget (iv) Capital Budget
8. To which of the following Purchase Budget is identified with?
(i) Purchase of Fixed Assets (ii) Purchase of Advertising and Distribution materials
(iii) Purchase of Raw materials (iv) Purchase of Office supplies
9. Margin of Safety indicates
(i) Sales at which there is profit (ii) Sales at which there is loss
(iii) Sales at which there is no profit or loss (iv) Sales in excess of BEP
10. Angle of Incidence indicates
(i) Angle between Sales and Fixed Cost line
(ii) Angle between Sales and Variable Cost line
(iii) Angle between Sales and Total Cost line
(iv) Angle between Actual Sales and BEP

SECTION - B (35 Marks)

Answer ALL Questions

ALL Questions Carry EQUAL Marks (5 x 7 = 35)

11. (a) Describe the scope of Management Accounting.

(OR)

(b) State any seven differences between Management Accounting and Financial Accounting.

12. (a) Calculate Current Asset and Current Liability when Current Ratio is 2.4 and Working Capital is Rs.1,40,000.

(OR)

(b) Calculate Current Assets from the following:

Quick Ratio is 2:1; Inventory Rs.60,000; Current Liabilities Rs.1,20,000

13. (a) Calculate Cash from Operating Activities from the following:

(i) Profit made during the year Rs.3,00,000 after considering the following items:

Rs.

Depreciation on Fixed Assets 20,000

Transfer to General Reserve 10,000

Amortization of Goodwill 10,000

Profit on sale of land 7,000

(ii) You are also given the position of Current Assets and Current Liabilities as follows:

Particulars	Year I (Rs.)	Year II (Rs.)
Debtors	15,000	18,000
Creditors	20,000	10,000
Bills Receivable	7,000	5,000
Prepaid Expenses	10,000	7,000

(OR)

(b) Explain any seven differences between Fund Flow and Cash Flow Analysis.

14. (a) The sales manager of a company submits the following figures for a product for the first quarter of 2021 at a selling price of Rs.20 per unit:

Month	Sales Quantity (Units)
January	30,000
February	25,000
March	35,000

Not satisfied with budget, managing director asks him to increase the selling price and the quantity budgeted by 10%. Prepare the revised Sales Budget.

(OR)

(b) Prepare a Production Budget from the following details given in units:

Type of Product	Estimated Stock on 1-1-2021	Estimated sales from Jan to March 2021	Desired closing stock on 31-3-2021
A	2,000	10,000	5,000
B	3,000	15,000	4,000
C	4,000	13,000	3,000
D	5,000	12,000	2,000

15. (a) Calculate the Profit from the following data:

Particulars	Rs.
Sales	80,000
Marginal Cost	60,000

Break-even Sales (OR) 60,000

Cont...

(b) From the following data, calculate P/V Ratio, BEP and MOS:

Particulars	Rs.
Sales	2,00,000
Fixed Cost	50,000
Variable Cost	1,20,000

SECTION - C (30 Marks)

Answer any **THREE** Questions

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

16. Elucidate any five advantages and five limitations of Management Accounting.
17. Discuss (i) Liquidity ratios (ii) Solvency ratios
(iii) Profitability ratios (iv) Turnover ratios
18. From the following information prepare Fund Flow Statement (Rs. in thousands):

Liabilities	2020	2021	Assets	2020	2021
Share Capital	300	400	Cash	30	90
Reserves	100	50	Receivables	105	150
Retained Earnings	30	60	Inventories	150	195
Accounts Payable	45	135	Fixed Assets	190	210
	475	645		475	645

The company issued bonus shares for Rs.50,000 and for cash Rs.50,000. Depreciation written off during the year is Rs.15,000.

19. Prepare a comparative flexible budget from the following and determine the overhead rates at 70%, 80% and 90% plant capacity:

Particulars	At 80% capacity (Rs)
Variable Overheads:	
Indirect labour	12,000
Stores including spares	4,000
Semi-Variable Overheads:	
Power (30% Fixed, 70% Variable)	20,000
Repair and Maintenance (60% Fixed, 40% Variable)	2,000
Fixed Overheads:	
Depreciation	11,000
Insurance	3,000
Salaries	10,000
Total Overheads	62,000
Estimated Direct Labour Hours	1,24,000 (Hours)

20. You are given the following information:

Material	Quantity	Standard Price
X	2 Kgs.	Rs. 3 per Kg.
Y	4 Kgs.	Rs. 2 per Kg.

The actual production and relevant data are as follows:

Material	Total Quantity for 500 units	Total Cost (Rs)
X	1,200 Kgs.	3,900
Y	1,800 Kgs.	4,500

Calculate (i) Material Cost Variance (ii) Material Price Variance (iii) Material Usage Variance.

Z-Z-Z

END