

PSG COLLEGE OF ARTS & SCIENCE
(AUTONOMOUS)
BCom(CS) DEGREE EXAMINATION MAY 2019
(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

(10 x 2 = 20)

- 1 Define Management Accounting.
- 2 What is the standard ratio for Current Ratio?
- 3 State the formula for cash position ratio.
- 4 What is working capital?
- 5 What is fund?
- 6 What is Cash Flow?
- 7 Define Budget.
- 8 What is Budgetary Control?
- 9 What is Break Even Point?
- 10 Define Marginal Cost.

SECTION - B 125 Marks!

Answer **ALL** Questions

ALL Questions Carry **EQUAL** Marks (5 x 5 = 25)

- 11 a State the objectives, of Management Accounting.

OR

- b Explain the limitations of Financial Accounting.

- 12 a From the following information, calculate (i) Stock turnover ratio
(ii) Current year provision for taxation :

Opening stock	Rs. 29,000
Closing stock	Rs. 31,000
Sales	Rs. 3,00,000
Gross profit 25% on cost	
Opening balance	70,000
Closing balance	75,000
Tax paid	55,000

OR

- b From the following information, calculate (i) Current ratio (ii) Liquidity ratio and also state the ideal ratios for each item :

Particulars	Rs.
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

- 13 a From the following information, calculate funds from operations of B Ltd.

Particulars	Rs.
Net loss for the year	90,000
Divided received	7,000
Depreciation charged	10,000
Profit on sales of assets	5,000
Refund of tax	2,000

OR

- 13 Cont...
b Cc

Particulars	Rs.
Net profit for the year 2006-07	80,000
Depreciation of fixed assets	11,000
Profit on sale of building	22,000
Loss on sale on machine	13,000
Increase in current assets (except cash)	46,000
Increase in current liabilities	29,000

- 14 a From the following particulars, prepare a production budget of A ltd for the year ended June 30,2007.

Product	Sales (units) As per sales budget	Estimated opening stock	Estimated closing stock
A	1,50,000	14,000	15,000
B	1,00,000	5,000	4,500
C	70,000	8,000	8,000

OR

- b From the following budgeted expenses to produce 10,000 units of a product

Particulars	Rs.
Materials	15 per unit
Wages	10 per unit
Work expenses Fixed	40,000
Wok expenses variable	4 per unit
General expenses (all fixed)	60,000
Profit on sales price	20%

- 15 a From the following information, calculate PV Ratio and Sales to earn profit of Rs. 2,40,000.

Particulars	Rs.
Sales	8,00,000
Fixed cost	3,60,000
Variable cost	5,60,000

OR

Standard wage rate is Rs. 2 per hour and standard time is 10 hours, But actual wage rate is Rs. 2.25 per hour and actual hours used are 12 hours. Calculate Labour cost variance.

SECTION - C (30 Marks!)

Answer any **THREE** Questions

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

- 16 Differentiate between financial accounting and management accounting.
- 17 The following are the information of A ltd for the year ending 31st December 2009 and 2008. You are required to prepare a comparative income statement for

Particulars	31-12-2016 (Rs.)	31-12-2017 (Rs.)
Net sales	10,00,000	12,00,000
Cost of good sold	5,50,00c ¹	6,05,000
Operating Expenses :		
Administration	80,000	1,00,000
Selling	60,000	80,000
Non-operating Expenses :		
Interest	40,000	50,000
Income-tax	50,000	80,000

Cont.

Following are the ratio relating to the trading activities of X limited :

Receivables turnover = 90 days (360 days a year)

Inventory turnover = 3 times

Payable turnover = 3 months

Gross profit ratio = 25%

Gross profit for the year amounted of the year is Rs. 18,000. Closing inventory of the year is Rs. 2,000 above the opening inventory. Bills receivable amount to Rs. 2,500 and bills payable Rs. 1,000. Ascertain the following :

(i) Sales (ii) Debt (iii) Closing inventory and (iv) Sundry creditors.

B & Co. presents the following Financial statements for 2015 and 2016. Prepare a sources and application of funds statement :

Balance Sheet					
Liabilities	2015	2016	Assets	2015	2016
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
Bills payable	4,52,000	6,28,000	Cash	1,06,000	62,000
Creditors	8,26,000	12,54,000	Investment	1,74,000	-
Loan from bank	2,00,000	4,70,000	Debtors	6,92,000	10,56,000
Reserves & surplus	13,84,000	17,28,000	Stock	8,64,000	13,66,000
Share capital	12,00,000	12,00,000	Net fixed assets	22,26,000	27,96,000
	40,62,000	52,80,000		40,62,000	52,80,000

Depreciation of Rs. 3,78,000 was written off for the year 2016 on fixed assets.

Pepsi Company produces a single article. Following cost data is given about its product :

Particulars	Rs.
Selling price per unit	40
Marginal cost per unit	24
Fixed cost per annum	16,000

(i) P/V ratio (ii) Break even sales (iii) Sales to earn a profit of Rs. 2,000

(iv) profit at sales of Rs. 60,000 (v) New break even sales, if price is reduced by 10%.

Z-Z-Z

END