

Exam Date &amp; Time: 26-Sep-2020 (02:00 PM - 05:30 PM)



## PSG COLLEGE OF ARTS AND SCIENCE

Note: Writing 3hrs: Checking & Inserting Image : 30mins

**BCom DEGREE EXAMINATION MAY 2020**  
(Sixth Semester)

Common to Branches - **COMMERCE / COMMERCE WITH CA / e-COMMERCE / COMMERCE (AF) / COMMERCE (RM) / COMMERCE (FS) / COMMERCE (FT) / COMMERCE (BPS) & COMMERCE (B&I)**

**MANAGEMENT ACCOUNTING [14COU25]**

Marks: 75

Duration: 210 mins.

### SECTION A

Answer all the questions.

- 1) Define Management Accounting (2)
- 2) What is meant by Cost accounting? (2)
- 3) What do you mean by Ratio analysis? (2)
- 4) What are Financial statement? (2)
- 5) Define Fund flow statement. (2)
- 6) What is meant by Cash from operation? (2)
- 7) What is Budgetary control? (2)
- 8) Define Sales budget. (2)
- 9) What do you mean by marginal costing? (2)
- 10) What is Standard costing? (2)

### SECTION B

Answer all the questions.

- 11) State the objectives of Management accounting. (5)
  - a) [OR] Explain the scope of Management Accounting. (5)
  - b) (5)
- 12) (5)



a)

Prepare the common size statement analysis for the firm ABC Ltd.

Liabilities	2008	2009	Assets	2008	2009
Share capital	200000	300000	Fixed assets	225000	400000
Reserve & Surplus	100000	200000	Stock	129000	200000
Bank Over draft	60000	200000	Quick assets	46000	200000
Quick liabilities	40000	100000			
	400000	800000		400000	800000

[OR]

b)

Compute the Debtors Turnover Ratio from the following:

	Rs.	
Gross sales	142000	
Cash sales	28000	
Sales returns	14000	(5)
Opening Debtors	15000	
Opening Bills Receivable	5000	
Closing Debtors	26000	
Closing Bills Receivable	4000	

13)

Prepare a schedule changes in working capital from the Balance sheet data given below:

a)

## Balance Sheets

Liabilities	31.12.96	21.12.97	Assets	31.12.96	31.12.97
Share Capital	300000	375000	Machinery	70000	100000
Creditors	106000	70000	Stock in Trade	121000	136000
P&L Account	14000	31000	Debtors	181000	170000
				48000	70000
	420000	476000		420000	476000

(5)

[OR]

b)

Compute Cash from operations from the following:

Net Profit for the year 2006-07	Rs.80000	
Depreciation written off on Fixed assets	Rs. 11000	
Profit on sale of Building	22000	(5)
Loss on sale of Machine	13000	
Increase in Current Assets (except cash)	46000	
Increase in Current Liabilities	29000	

14)

From the following particulars, prepare a production budget of Arun sales corporation for the year ended June 30, 2017:

a)

Product	Sales (units) (as per sales budget)	Estimated stock (Units)	
		July 1, 2016	June 30, 2017
A	150000	14000	15000
B	100000	5000	4500
C	70000	8000	8000

(5)

[OR]

Write a brief note on Cash budget and Flexible budget.

(5)



- b)
- 15) From the following figures calculate:
- a) Break Even Point and  
b) Margin of safety
- a)
- |               |            |     |
|---------------|------------|-----|
| Sales         | Rs. 600000 | (5) |
| Variable cost | Rs. 375000 |     |
| Fixed Cost    | Rs. 180000 |     |

[OR]

- b) The standard time and rate for unit component are given below:
- Standard hours 20  
Standard rate Rs. 5 per hour  
Actual data and related information are as under:  
Actual production 1000 units: Actual hours 20500 hours  
Actual rate per hour Rs. 4.80
- (5)
- Calculate i) Labour cost variance  
ii) Labour efficiency variance  
iii) Labour rate variance

## SECTION C

Answer 3 out of 5 questions.

- 16) Elucidate the functions of Management Accounting. (10)
- 17) The following are the income statements of ABC Ltd. for the year ending 31<sup>st</sup> December 2006 and 2007. You are required to prepare a comparative income statement for Two years.

	31.12.2006 (Rs.)	31.12.2007(Rs.)	
Net Sales	1000000	1200000	
Cost of Goods sold	550000	605000	
<b>Operating expenses</b>			(10)
Administration	80000	100000	
Selling	60000	80000	
<b>Non-operating expenses</b>			
Interest	40000	50000	
Income-tax	50000	80000	

- 18) From the following Balance Sheet of Aravind Ltd. you are required to prepare a Cash flow statement:

Liabilities	31.12.17	21.12.18	Assets	31.12.17	31.12.18
Share Capital	400000	500000	Cash	60000	94000
Trade Creditors	140000	90000	Debtors	240000	230000
P&L Account	20000	46000	Stock	160000	180000
			Land	100000	132000
	560000	636000		560000	636000

- 19) (10)



Prepare a flexible budget for overheads on the basis of the following data. Ascertain overhead rates at 50% 60% and 70% capacity.

Variable overheads	At 60% capacity (Rs.)
Indirect material	6000
Indirect labour	18000
<i>Semi-variable overheads</i>	
Electricity (40% fixed 60% variable)	30000
Repairs (80% fixed 20% variable)	3000
<i>Fixed overheads</i>	
Depreciation	16500
Insurance	4500
Salaries	<u>15000</u>
Total overheads	<u>93000</u>
Estimated direct labour hours	186000

20)

From the following information relating to Palani Ltd. you are required to find out a) P/V Ratio      b) Break even pint      c) Profit  
d) Margin of safety      e) Volume of sales to earn profit of Rs.60000.

Total fixed costs	Rs. 4500
Total variable costs	Rs. 7500
Total Sales	Rs.15000

(10)

-----End-----