

Reg No. 

S. No.190 BATCH: 87 2013, 2016

END OF SEMESTER EXAMINATIONS, APRIL/MAY- 2019  
 MANAGEMENT ACCOUNTING  
 SUBJECT CODE: 16UAC019

MAJOR : B.COM/ B.COM (CA).  
 TIME : 3 HOURS

SEMESTER :VI  
 MAX.MARKS: 75

SECTION A (10 X 1 = 10)

Answer ALL Questions:

1. Define Management Accounting
2. What are the uses of Management Accounting?
3. What do you mean by Financial Statements?
4. How do you calculate Stock Turnover Ratio?
5. Define Fund Flow Statement.
6. What is Cash Flow Statement?
7. What do you mean by Marginal Costing?
8. How do you calculate Margin of Safety?
9. Define Production Budget.
10. What is meant by Budgets?

SECTION B (5 X 4 = 20)

Answer any FIVE Questions:

11. Explain the scope of Management Accounting.
12. State the importance of Financial Statements.
13. Compute the Debtors Turnover Ratio from the following:

	Rs.
Gross Sales	1,42,000
Cash Sales	28,000
Sales Returns	14,000
Opening Debtors	15,000
Opening Bills Receivable	5,000
Closing Debtors	26,000
Closing Bills Receivable	4,000

14. Prepare a schedule changes in working capital from the Balance Sheet data given below:

Balance Sheets					
Liabilities	31.12.96 Rs.	31.12.97 Rs.	Assets	31.12.96 Rs.	31.12.97 Rs.
Share Capital	3,00,000	3,75,000	Machinery	70,000	1,00,000
Creditors	1,06,000	70,000	Stock in Trade	1,21,000	1,36,000
P & L Account	14,000	31,000	Debtors	1,81,000	1,70,000
			Cash	48,000	70,000
	<b>4,20,000</b>	<b>4,76,000</b>		<b>4,20,000</b>	<b>4,76,000</b>

15. Compute cash from operations from the following:
 

Net profit for the year 2006-07	Rs. 80,000
Depreciation written off on Fixed Assets	Rs. 11,000
Profit on sale of Building	Rs. 22,000
Loss on sale of Machine	Rs. 13,000
Increase in current Assets (Except Cash)	Rs. 46,000
Increase in Current Liabilities	Rs. 29,000

16. From the following figures, calculate:

a) Break Even Point and	
b) Margin of Safety	
Sales	Rs. 6,00,000
Variable Cost	Rs. 3,75,000
Fixed Cost	Rs. 1,80,000

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17. You are required to prepare a production budget for the half year ending June 2012 from the following information.

Product	Budgeted sales quantity (units)	Actual stock on 31.12.2010 (units)	Desired stock on 31.12.2011 (units)
A	10,000	2,000	3,000
B	30,000	3,000	5,000

18. What are the advantages of Budgetary Control?

**SECTION - C (3 X 15 = 45)**

**Answer any THREE Questions:**

19. What are the Advantages and Limitations of Management Accounting?

20. 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	10,00,000	12,00,000
Cost of Goods Sold	5,50,000	6,05,000
<i>Operating Expenses</i>		
Administration	80,000	1,00,000
Selling	60,000	80,000
<i>Non-operating Expenses</i>		
Interest	40,000	50,000
Income-tax	50,000	80,000

21. From the following balance sheet of Aravind Ltd., you are required to prepare a cash flow statement.

Liabilities	31.12.89 Rs.	31.12.90 Rs.	Assets	31.12.89 Rs.	31.12.90 Rs.
Share Capital	4,00,000	5,00,000	Cash	60,000	94,000
Trade Creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
P&L Account	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	<b>5,60,000</b>	<b>6,36,000</b>		<b>5,60,000</b>	<b>6,36,000</b>

22. Describe the merits and demerits of Marginal Costing.

23. 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	6,000
Indirect labour	18,000
<i>Semi-variable overheads</i>	
Electricity (40% fixed 60% variable)	30,000
Repairs (80% fixed 20% variable)	3,000
<i>Fixed overheads</i>	
Depreciation	16,500
Insurance	4,500
Salaries	<u>15,000</u>
Total Overheads	<u>93,000</u>
Estimated direct labour hours	1,86,000

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