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(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2016 ONLY)

(NO.OF PAGES: 4)

16 UCF 620

REG.No.

NGM COLLEGE (AUTONOMOUS) : POLLACHI

END – OF – SEMESTER EXAMINATIONS : JUNE 2021

B.Com. - FINANCE **MAXIMUM MARKS: 75**

VI - SEMESTER **TIME: 3 HOURS**

PART – III

MANAGEMENT ACCOUNTING

SECTION – A **(10 X 1 = 10 MARKS)**

ANSWER THE FOLLOWING QUESTIONS.
MULTIPLE CHOICE QUESTIONS.

1. Management accounting is the presentation of accounting ---------- in such a way as to assist management in the creation of policy and the day-to-day operation of an undertaking.
   a) Information b) Decision making c) Policy making d) Planning.
2. Operating activities are the principal ------------ producing activities of the enterprise.
   a) Long term b) Revenue c) Borrowing d) Income .
3. In CVP analysis are interconnected and ------- on one another.
   a) Not dependent b) Not an independent c) Dependent d) Independent..
4. The acceptable norm for absolute liquid ratio is -------- .
   a)1:1 b) 1:2 c) 0.5:1 d) 2:1
5. Sales budget is a ____________ .
   (a) Functional budget b) Master budget c) Expenditure budget
   d) Zero based budget

SHORT QUESTIONS.

6. Define Management Accounting.
7. State the meaning of fund flow statement.
8. Explain Contribution.
9. What is meant by short term solvency Ratios?
10. What are the requisites for a successful budgetary control system?

SECTION – B **(5X4=20 MARKS)**

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

11. a) Explain any five objectives of management accounting.

    (OR)

    b) Give any five differences between financial accounting and management accounting.

12. a) Explain the differences between fund flow and cash flow statement.

    (OR)

(CONTD…2)

b) B.M Traders presents the following information and you are required to calculate funds from operations:

	₹		₹
To expenses: Operation Depreciation	 1,00,000 40,000	By gross profit	2,00,000
To loss on sale of building	10,000	By gain on sale of plant	20,000
To advertisement suspense a/c	5,000		
To discount (allowed to customers)	500		
To discount on issue of shares written off	500		
To goodwill	12,000		
To net profit	52,000		
	2,20,000		2,20,000

13. a) From the following data, you are required to calculate;

a) P/v ratio b) Break – sales with the help of P/v ratio c) sales required to earn a profit of Rs.6, 00,000

Fixed expenses = ₹.90,000

Variable cost per unit

Direct material = ₹.5

Direct labour = ₹.2

Direct overheads = 100% of Direct labour.

Selling price per unit = ₹.12

(OR)

b) (a) Sales Rs.5, 00,000: profit Rs.50, 000: valuable cost 70% find out (i) P/v Ratio (ii) fixed cost (iii) sales value to earn profit of Rs.40, 000.

14. a) List out uses of ratio Analysis.

(OR)

b) The following is the balance sheet of new India Ltd., for the year ending Dec 31.2008

Liabilities	₹.	Assets	₹.
9% preference share capital	5,00,000	Good will	1,00,000
Equity share capital	10,00,000	Land & building	6,50,000
8% Debenture	2,00,000	Plant	8,00,000
Long-term loan	1,00,000	Furniture & fixtures	1,50,000
Bills payable	60,000	Bills receivable	70,000
Sundry creditors	70,000	Sundry debtors	90,000
bank overdraft	30,000	bank balance	45,000
outstanding expenses	5,000	short term investments	25,000
		prepaid expenses	5,000
		stock	30,000
	19,65,000		19,65,000

From the balance sheet calculate.

a) Current ratio.
b) Acid liquid cost ratio.
c) Absolute liquid ratio.
d) Comment on these ratio.

15. .a) The expenses for the production of 5,000 units in a factory are given as follows

	Per unit ₹
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs 50,000)	10
Administrative expenses (5% vaiable)	10
Selling expenses (20% Fixed)	6
Distribution expenses (10% fixed)	5
Total cost of sales per unit	116

You are required to prepare a budget for the production of 7,000 units.

(OR)

b) What are the factors determining the working capital.

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SECTION – C (3X15=45 MARKS)

ANSWER ANY THREE OF THE FOLLOWING QUESTIONS

16. Explain the differences between cost and management accounting.

17. From the summary cash account of sunny ltd. Prepare Cash Flow Statement for the year ended 31st March 2016 in accordance with AS-3 (Revised) using the direct method. The company does not have any cash equivalents.

Summary cash account
(For the year ended 31.03.2016)

	₹ ' 000		₹ ' 000
Balance on 01.04.2016	100	Payment of suppliers	4,000
Issue of equity shares	600	Purchase of fixed assets	400
Receipts from customers	5,600	Overhead expenses	400
Sale of fixed assets	200	Wage and salaries	200
		Taxation	500
		Dividend	100
		Repayment of bank loan	600
		Balance on 31.03.2016	300
	6,500		6,500

18. Calculate (i) The amount of fixed expenses (ii) the number of units to break – even (iii) the number of units to earn a profit of Rs.40000.

The selling price unit can be assumed at Rs.100 the company sold in two secession periods 7000 units and 9000 units and has incurred a loss of Rs.10000 and earned Rs.10000 as profit respectively.

(CONTD…4)

19. The following information is given;

Current Ratio; 2.5; fixed assets turnover ratio; 2times
Liquid Ratio; 1.5; Average debt collection period; 2 months
Net working capital Rs;3,00,000 fixed assets; share holders
Stock turnover ratio; 6 times net work;1:1
(Cost of sales / closing stock) reserves; shares capital;0.5:1
Gross profit ratio 20%

Draw up a Balance sheet from the above information

20. (b)ABC Co wishes to arrange overdraft facilities with its bankers during the period April to June when it will be manufacturing mostly for stock. Prepare a cash Budget for the above period from the following data, including the extent of bank facilities the company will require at the end of each month:

a)

Month	Sales in Rs	Purchases in Rs	Wages in Rs
February	1,80,000	1,24,000	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

b) 50Percent of credit sales is realized in the month following the sale and the remaining50 percent in the second month following. Creditors are paid in the month following the month of purchase.

c) Cash at bank on the 1st April (estimated) Rs 25,000.

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