



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

FIFTH & SIXTH SEMESTER – APRIL 2017

BC 5506 / BC 6600- MANAGEMENT ACCOUNTS

Date: 22-04-2017
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

PART-A

ANSWER ALL THE QUESTIONS

(10 X 2 = 20 Marks)

1. Define Management Accounting.
2. What is Funds flow statement?
3. Define Budgetary Control.
4. Explain the meaning of Break even analysis and Break even Point.
5. A company has capital of Rs 10,00,000. Its turnover is three times the capital and the margin on sales is 6%. What is the return on investment?
6. Gross profit ratio = 25%
Gross profit during the year amounted to Rs.80,000
Find out Sales.
7. Find out Variable Cost:
Sales Rs.4,00,000
P/v Ratio 25%
8. Ganesh purchased and used 800 tons of a chemical at Rs.40 per ton where as the standard price fixed was Rs. 48 per ton. Calculate Material Price Variance
9. Find out the quantity of Raw materials to be purchase from the following details.

Particulars	kgs
Opening stock of raw material	10,000
Material expected to be consumed	20,000
Closing stock of materials required	5,000
10. Find out the provision for Income Tax made during the Financial year 2003-04:

Rs.	
Balance of Provision for Tax on 1.4.2003	2,65,000
Balance of provision for tax on 31.03.2004	2,90,000
Tax paid during 2003-04	3,00,000

SECTION-B

Answer any four questions.

(4x10=40) Marks

11. What are the objectives of Management Accounting?
12. Distinguish between Budgetary control and standard Costing.
13. What is the importance of fund flow statement?
14. From the following particulars :
Calculate:
 - (a) Material Price Variance
 - (b) Material Usage Variance and
 - (c) Material Cost VarianceMaterial Purchase- 3,000 kgs at Rs.6 per kg
Standard quantity of material fixed for one unit of finished product -25 kgs at Rs.4 per kg
Opening stock of material – Nil
Closing stock of materials – 500 kgs
Actual output during the period – 80 units

15. Draw up a flexible Budget for production at 75% and 100 % capacity on the basis of the following data for a 50% activity.

	Per unit (Rs)
Materials	100
Labour	50
Variable Expenses (direct)	10
Administrative Expenses (50% fixed)	40,000
Selling and Distribution (60% fixed)	50,000
Present production (50% activity)	1,000 units.

16. Arun & co. presents the financial statements for 1988 & 1989. Prepare a sources & application of funds statement.

Liabilities	1988	1989	Assets	1988	1989
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 and 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 1989 on fixed assets.

17. You are given the following information:

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

Calculate (a) Current ratio (b) Liquidity ratio (C) Absolute liquidity ratio.

PART-C
ANSWER ANY TWO QUESTIONS

2X 20 = 40 marks

18. From the following data forecast the cash position at the end of April, May and June 1998.

Month 1998	Sales Rs	Purchases Rs	Wages Rs	Sales expenses Rs
February	1,20,000	80,000	10,000	7,000
March	1,30,000	98,000	12,000	9,000
April	70,000	1,00,000	8,000	5,000
May	1,16,000	1,03,000	10,000	10,000
June	85,000	80,000	8,000	6,000

Further information:

Sales at 10% realized in the month of sales. Balance equally realized in two subsequent months.

Purchases : Creditors are paid in the month following the month of supply.

Wages : 20% paid in arrears in the following month.

Sundry expenses paid in the month itself.

Income tax Rs 20,000 payable in June.

Dividend Rs.12,000 payable in June.

Income from investments Rs.2,000 received half-yearly in March and September.

Cash balance on hand as on 1-4-88 Rs.40,000.

19. (a) Explain the advantages and limitations of Marginal costing.
 (b) What are the differences between cost accounting and management accounting?

20. From the following Balance Sheets prepare a Funds Flow Statement

Liabilities	1999 Rs	2000 Rs	Assets	1999 Rs	2000 Rs
Share Capital	1,00,000	1,50,000	Land & building	1,00,000	90,000
General Reserve	50,000	60,000	Plant & Machinery	1,00,000	1,19,000
P&L A/c	30,500	30,000	Stock	50,000	24,000
Bank loan	70,000	—	Debtors	75,000	63,000
Creditors	50,000	37,200	Cash	500	1,200
Provision for tax	32,000	35,000	Bank	2,000	15,000
			Goodwill	5,000	—
	<u>3,32,500</u>	<u>3,12,200</u>		<u>3,32,500</u>	<u>3,12,200</u>

Other information:

- (a) Dividend of Rs.23,000 was paid during the year 2000
 (b) Depreciation written off on buildings Rs10,000 and machinery Rs 14,000
 (c) Income tax paid during the year ended 31.12.2000 Rs 28,000
 Prepare Funds Flow Statement for 2000.

21. From the following information prepare a statement of proprietors funds with the following details,
 Find out a) Current assets b) Current liabilities, c) Stock and d) Fixed assets:

- (a) Current ratio 2.5
 (b) Liquidity ratio 1.5
 (c) Proprietary ratio (fixed assets/proprietary fund) 0.75
 (d) Working capital Rs 60,000
 (e) Reserves and surplus Rs 40,000
 (f) Bank overdraft Rs. 10,000
 (g) There is no long-term loan or fictitious asset
