



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com.DEGREE EXAMINATION –CORPORATE SECRETARYSHIP

FIFTH SEMESTER – APRIL 2019

BC 5506– MANAGEMENT ACCOUNTING

Date: 16-04-2019
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

SECTION A

ANSWER ALL QUESTIONS

(10 X 2 = 20)

1. Define “Management Accounting”.
2. Mention any two importance of management accounting.
3. What is Ratio analysis?
4. What is EPS?
5. What is current ratio?
6. What is master budget?
7. What is meant by break-even point?
8. What is make or buy decision?
9. Calculate break-even point
Fixed cost Rs. 1,50,000
Variable cot per unit Rs.10
Selling price per unit Rs. 15.
10. From the following data, calculate the Material Price Variance and
State whether it is favorable or unfavourable
Standard -10 Kg at Rs.5 per kg. Actual - 12 Kg @ Rs.6 per kg.

SECTION-B

Answer any FOUR questions.

(4X10=40)

11. What is management accounting? Explain its advantages and disadvantages?
12. List out the advantages and limitations of Ratio Analysis.
13. What is cash budget? Explain the features and importance of cash budgets.

14. Prepare a statement of changes in working capital from the following details of 'R' Ltd.

Liabilities	31-12-2014	31-12-2015	Assets	31-12-2014	31-12-2015
	Rs.	Rs.		Rs.	Rs.
Equity capital	5,00,000	5,00,000	Fixed assets	6,00,000	7,00,000
Debentures	3,70,000	4,50,000	Investments	2,00,000	1,00,000
Tax payable	77,000	43,000	Work-in-progress	80,000	90,000
Creditors	96,000	1,92,000	Stock	1,50,000	2,25,000
Dividend payable	87,000	80,000	Debtors	70,000	1,40,000
			Cash	30,000	10,000
	11,30,000	12,65,000		11,30,000	12,65,000

15. From the following particulars prepare a production budget for the year ended 30th June 2005.

Product	Estimated Sales (units)	Opening stock	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

16. P Ltd., gives the following Balance sheet. You are required to compute the following ratios.

- (a) Liquid Ratio
 (b) Solvency Ratio
 (c) Debt Equity Ratio
 (d) Stock of Working Capital Ratio

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity share capital	1500000	Fixed Assets	1400000
Reserve fund	100000	Stock	500000
6% Debentures	300000	Debtors	20000
Overdraft	100000	Cash	10000
Creditors	200000		
	2200000		2200000

17. From the following information's find out:

- 1) P/V Ratio
- 2) Sales &
- 3) Margin of Safety

Fixed Cost = Rs.40, 000

Profit = Rs. 20,000

B.E.P. = Rs. 80,000

SECTION-C

Answer any TWO Questions.

(2x20=40)

18. Distinguish between Financial Accounting and Management Accounting.

19. Following are the Balance Sheets of X & Co., a partnership firm.

Liabilities	1-1-2007	31-12-2007	Assets	1-1-2007	31-12-2007
	Rs.	Rs.		Rs.	Rs.
Creditors	72,000	82,000	Cash	8,000	7,200
Loan from partner	---	40,000	Debtors	70,000	76,800
Loan from Bank	60,000	50,000	Stock	50,000	44,000
Capital	2,96,000	2,98,000	Land	40,000	60,000
			Building	1,00,000	1,10,000
			Machinery	1,60,000	1,72,000
	4,28,000	4,70,000		4,28,000	4,70,000

During the year partners withdrew Rs. 52,000 for domestic expenses. The provision for depreciation against machinery as on 1-1-2007 was Rs. 54,000 and on 31-12-2007 Rs. 72,000. Prepare a fund flow statement.

20. For production of 10,000 Electrical Automatic Irons the following are budgeted expenses.

	Per unit
Direct materials	60
Direct labour	30
Variable overheads	25
Fixed overheads (Rs. 1,50,000)	15
Variable expenses (direct)	5
Selling expenses (10% fixed)	15
Administration expenses (Rs. 50,000 rigid for all levels of production)	5

Distribution expenses (20% fixed)	5
Total cost of sale per unit	160

Prepare a budget for production of 6,000 and 7,000, irons showing distinctly marginal cost and total cost.

21. From the following data prepare a unit cost statement showing the prime cost of product A and B together with analysis of variances:

		Product A	Product B
Material	Standard	600 kgs @ Rs.5.50	90 kgs @ Rs.3.00
	Actual	580 kgs @ Rs.5.50	100 kgs @ Rs.2.50
Labour	Standard	80 Hours @ Rs.2.00	16 Hours @ Rs.2.80
	Actual	92 Hours @ Rs.1.75	14Hours @ Rs.2.60
