

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

SIXTH SEMESTER – NOVEMBER 2022

UBC 6502 – MANAGEMENT ACCOUNTING

Date: 21-11-2022

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

PART – A

(10x 2 = 20 Marks)

Q. No **Answer ALL questions**

- 1 What is Management Accounting?
- 2 Describe the objective of Marginal costing?
- 3 What is common size statement?
- 4 Define budgetary control.
- 5 From the following figures calculate the debtor's turnover ratio.

Credit sales for the year	Rs.12,000
Debtors	Rs.1,000
Bills Receivable	Rs.1,000

- 6 List out current assets and current liabilities.
- 7 Write the formula for Operating Ratio.
- 8 What are the different classes of Budgets?
- 9 State two transactions that do not affect the flow of funds.
- 10 What is P/V Ratio?

Sales	Rs.4,00,000
Variable cost	Rs.3,00,000
Fixed cost	Rs.40,000

PART – B

(4 x 10 = 40 Marks)

Answer any FOUR questions

- 11 From the following information relating to Palani Bros. Ltd., you are required to find out
 - a. P/V Ratio
 - b. Break-even point
 - c. Profit
 - d. Margin of safety
 - e. Volume of sales to earn profit of Rs. 6,000.

Particulars	Rs
Total Fixed Costs	4,500
Total Variable Cost	7,500
Total Sales	15,000

- 12 From the following information find out
- Current Assets
 - Current Liabilities
 - Stocks
 - Fixed Assets
 - Current Ratio: 2.5
 - Liquid Ratio: 1.5
 - Fixed assets / Proprietary funds: 0.75
 - Working Capital – Rs. 60,000
 - Reserves and Surplus – Rs. 40,000
 - Bank Overdraft – Rs.10,000
 - There is no long-term loan or fictitious asset.

- 13 On the basis of the following particulars, draw up a flexible budget for overhead expenses and determine the overhead rates at 70%, 80% and 90% plant capacity.

Particulars	Plant Capacity		
	70% Rs.	80% Rs.	90% Rs.
Variable Overheads:			
Indirect Labour	-	12,000	-
Indirect Materials	-	4,000	
Semi-variable Overheads			
Power (30% fixed)	-	20,000	-
Repairs (40% fixed)	-	2,000	-
Fixed Overheads:			
Depreciation	-	11,000	-
Insurance	-	3,000	-
Salaries	-	10,000	-
Total Overhead Expenses		62,000	-
Estimated direct labour hours		1,24,000	

- 14 (a) Prepare a Schedule of Changes in Working Capital from the Balance Sheet given below

Balance Sheet					
Liabilities	31/12/1996	31/12/1997	Assets	31/12/1996	31/12/1997
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 A/C	14,000	31,000	Debtors	1,81,000	1,70,000
			Cash	48,000	70,000
	4,20,000	4,76,000		4,20,000	4,76,000

15. Explain the different approaches in classification ratios.
16. State the objectives of preparing financial statements?
17. Distinguish between Management Accounting and Financial Accounting.

PART – C

(2 x 20 = 40 Marks)

Answer any TWO questions

18. Following are the Balance Sheet of a Partnership Firm.

Liabilities	1-1-97 Rs.	31-12-97 Rs.	Assets	1-1-97 Rs.	31-12-97 Rs.
Partner's Capital	88,000	1,32,000	Cash	4,800	4,000
General Reserve	6,000	9,000	Debtors	36,500	39,100
P&L A/c	19,500	20,800	Stock	22,100	26,000
Loan	-	26,000	Furniture	2,400	1,500
Creditors	43,300	47,300	Machinery	35,600	51,300
			Buildings	55,400	1,13,200
	1,56,800	2,35,100		1,56,800	2,35,100

Depreciation written off during the year 1997 was under

Machinery Rs. 12,800

Furniture Rs. 400

Prepare funds flow statement

19. Following details are given

Year	Sales Rs.	Profit Rs.
2003	10,00,000	2,00,000
2004	15,00,000	4,00,000

Calculate:

- P/V Ratio
- Fixed Cost
- Breakeven point (values)
- Profit on sale of RS.20,00,000
- Sales required to make a profit of Rs.6,00,000
- Margin of Safety

- 20 Prepare a cash budget for the month of May, June and July 2006 on the basis of the following information

Month	Credit sale	Credit Purchase	Wages	Manufacturing exp.	Office exp.	Selling exp.
March	60000	36000	9000	4000	2000	4000
April	62000	38000	8000	3000	1500	5000
May	64000	33000	10000	4500	2500	4500
June	58000	35000	8500	3500	2000	3500
July	56000	39000	9500	4000	1000	4500
Aug	60000	34000	8000	3000	1500	4000

- b. Cash balance on 1st May 2006 Rs.8000
- c. Plant costing Rs.16000 is due for delivery in July: Payable 10% on delivery and balance after 3 months
- d. Advance tax Rs.8000 each is payable in March and June
- e. Period of credit allowed (i) by supplier in March and June
(ii) To customers – one month
- f. Lag in payment of manufacturing expenses – ½ month
- g. Lag in payment of office and selling expenses – 1 month

- 21 Explain the different tools and techniques used in Financial Statement Analysis.
