



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

SIXTH SEMESTER – APRIL 2017

CO 6609- MANAGEMENT ACCOUNTING

Date: 22-04-2017
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

PART-A (10 *2 = 20)

Answer all the question

1. Define a ‘Management Accounting’?
2. Explain clearly the meaning of ‘Financial Statements’?
3. What is Operating profit ratio?
4. State the meaning of Budgetary Control.
5. Define Marginal Costing.
6. Gross profit Rs.4,00,000
Gross profit Ratio is 25%, find out Sales
7. Fixed cost Rs.1, 80,000; P/V ratio 34% calculate BEP sales.
8. Prepare Machinery account and find out Closing balance assets from the following:

Opening Balance assets	8, 00,000
Assets sold	8,000
Loss on sale of assets	2,000
Assets purchased	3, 40,000
Depreciation	80,000
9. Calculate variable and fixed portions from semi variable overhead;

Electricity (fixed 40%)	Rs.30, 000
Repairs (Variable 60%)	Rs. 3,000
10. Give the meaning of Variance Analysis.

PART-B (4 *10 = 40)

Answer any four questions

11. Explain the tools and techniques used in Management Accounting?
12. What do you mean by Zero Based Budgeting and what are the steps involved in it?
13. a. Discuss the uses of Fund Flow Statement (5)

b. Calculate funds from operations from the following profit and loss account: (5)

Profit and loss A/c

	Rs.		Rs.
To Expenses paid and outstanding	3,00,000	By Gross profit	4,50,000
To Depreciation	70,000	By Gain on sale of land	60,000
To loss on sale of machines	4,000		
To Discount on Sales	200		
To good will	20,000		
To Net profit	1,15,800		
	5,10,000		5,10,000

14. a. Current Ratio 2.5
 Acid Test Ratio 1.5
 Working capital 1,62,000

Find out:

- Current Assets
- Current Liabilities
- Liquid Assets
- Stock

b. Discuss the uses of Ratio Analysis

15. a. From the following particulars, prepare a production Budget of a company:

Product	Sales (units)	Units -1st July 2004	Units -30 th June 2005
A	1,20,000	14,000	15,000
B	1,00,000	5,000	14,500
C	60,000	8,000	8,000

b. Discuss the Stages of Budgetary Control.

16. Find out different Labour variances:

	Standard	Actual
(i) Output	1,000 units	1,200 Units
(ii) Rate of payment	Rs.6 Per unit	Wage paid with bonus Rs.8,000
(iii) Time taken	50 Hours	40 Hours

17. A multipurpose Co. Furnishes you the following data relating to a year:

	I half	II half
	Rs.	Rs.
Sales	45,000	50,000
Total Cost	40,000	43,000

Assuming that there is no change in prices and variable costs and that the fixed expenses are incurred equally in two half years.

Calculate:

1. P/V Ratio
2. Fixed expenses
3. B.E. Sales
4. Percentage of margin of safety.

PART-C (2 *20 = 40)

Answer any two questions

18. Balance sheets of a company as on 31st December, 2008 and 2009.

Liabilities	2008 Rs.	2009 Rs.	Assets	2008 Rs.	2009 Rs.
Share capital	1,39,000	1,45,000	Cash in hand	18,000	15,600
Securities premium	1,000	3,000	Trade debtors	29,800	35,400
Debentures	24,000	12,000	Stock in trade	98,400	85,400
Trade creditors	20,000	23,680	Land	40,000	60,000
Provision for doubtful debts	1,400	1,600	Good will	20,000	10,000
Profit and loss a/c	20,800	21,120			
	2,06,200	2,06,400		2,06,200	2,06,400

Additional Information:

1. Dividends were paid Rs.7,000
2. Land was purchased for Rs.20,000/- and the amount provided for amortization of Good will totaled Rs.10,000/-.
3. Debenture loan was repaid Rs.12,000

You are required to prepare Fund Flow Statement and Statement of Changes in Working Capital.

19. Using the information given below, compute Trading and profit and loss account and the Balance sheet:

Gross profit Ratio	25%
Net profit Ratio	20%
Stock turnover Ratio	10 times
Net profit/Capital	1/5
Capital/ to Total liabilities	1/2
Fixed Assets/ Capital	5/4
Fixed Assets/ Total current assets	5/7
Fixed Assets	Rs.10,00,000
Closing stock	Rs.1,00,000

20. For the production of 10,000 electric automatic irons, the following are budgeted expenses:

	Per Unit (Rs.)
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 the production of 6,000, 7,000 and 8,000 irons, showing distinctly marginal cost, total cost and Per Unit Cost.

21. Following information has been made available from the cost records of Automobile Co.,
manufacturing spare components

Direct Materials – XRs. 8 per unit
Y Rs. 6 per unit
Direct Wages – X 24 hours @0.25 paise per hour
Y 16 hours @0.25 paise per hour
Variable Overheads 150% of direct wages
Fixed Overhead Rs.750
Selling Price XRs. 25 per Unit
Y Rs. 20 per Unit

The directors want to be acquainted with the desirability of adopting any one of the following alternative sales mixes in the budget for the next period.

- a)250 units of X and 250 units of Y
- b)400 units of Y only
- c)400 units of X and 100 units of Y
- d)150 units of X and 350 units of Y

State which of the alternative sales mixes you would recommend to the management.
