

QP CODE: 21101153



Reg No :

Name :

B.COM DEGREE (CBCS) EXAMINATION, APRIL 2021

Sixth Semester

CORE - CO6CRT20 - MANAGEMENT ACCOUNTING

Common for B.Com Model I Finance & Taxation, B.Com Model I Co-operation, B.Com Model I Computer Applications, B.Com Model I Marketing, B.Com Model I Travel & Tourism, B.Com Model III Computer Applications, B.Com Model III Office Management & Secretarial Practice, B.Com Model III Taxation, B.Com Model III Travel & Tourism, B.Com Model II Computer Applications, B.Com Model II Finance & Taxation, B.Com Model II Logistics Management, B.Com Model II Marketing & B.Com Model II Travel & Tourism

2017 Admission Onwards

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Time: 3 Hours

Max. Marks : 80

Instructions to Private candidates only: This question paper contains **two sections**. Answer **SECTION I** questions in the answer-book provided. **SECTION II**, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under **SECTION II**

SECTION I

Part A

Answer any **ten** questions.

Each question carries **2** marks.

1. Define Management Accounting.
2. What is meant by Responsibility Accounting?
3. Write a short note on Financial Statement Analysis.
4. Write a short note on vertical analysis.
5. Define Ratio Analysis.
6. What is Fixed Assets to Proprietor's Fund Ratio?
7. Inventory turnover ratio is 2.5 times. Average Inventory is Rs. 20,000. Calculate cost of revenue for operations and Revenue from operations, if profit earned is 25% of cost.
8. What is Return on Shareholders fund?
9. Compute Funds from Operations: Profit after tax: Rs. 2, 63,000, Provision for Tax: Rs. 1,15,000, Profit on sale of machinery: Rs. 25,000, Depreciation Rs.75, 500, Interest on investment: Rs.50,000.
10. How will you treat proposed dividend while preparing the Funds Flow Statement.
11. What is meant by Cash Outflow ? Give an example.
12. Calculate Cash from Operations from the following information :

Net Profit	Rs.3,20,000
Opening Stock	Rs.60,000
Closing Stock	Rs.80,000

(10×2=20)





Part B

Answer any **six** questions.

Each question carries **5** marks.

- 13. How does Management Accounting differ from Cost Accounting?
- 14. Explain the different types of Financial Statements.
- 15. Prepare a Common Size Statement of Profit and Loss of H Ltd from the following information.

Particulars	31-03-2019
Revenue From Operations	4,00,000
Cost of materials consumed	1,82,000
Employee Benefit Expenses	42,000
Depreciation	24,000
Other Expenses	5 % of Revenue from operations
Other Income	1,200
Income Tax	50%

- 16. Examine the relationship between Solvency, Liquidity and Profitability.
- 17. Calculate the value of Current Asset, Liquid assets and Stock in Trade. Given, Current Ratio is 2.25:1, Quick Ratio: 1.25:1 and Current liabilities is Rs.30,000.
- 18. What is 'Funds Flow Statement'? Examine its managerial uses.

- 19. Prepare a Statement of Changes in Working Capital from the Balance Sheet given below;

	2018	2019
Capital and Liabilities:		
Share Capital	3,00,000	3,75,000
Trade Creditors	1,06,000	70,000
Profit and Loss Account	14,000	31,000
Total Liabilities	4,20,000	4,76,000
Assets:		
Machinery	70,000	1,00,000
Stock-in- trade	1,21,000	1,36,000
Debtors	1,81,000	1,70,000
Cash	48,000	70,000
Total Assets	4,20,000	4,76,000

- 20. From the following information, find out Cash Flow from Investing Activities

PARTICULARS	CLOSING BALANCE (Rs.)	OPENING BALANCE (Rs.)
Machinery at Cost	4,20,000	4,00,000
Accumulated Depreciation	1,10,000	1,00,000
Patents	1,60,000	2,80,00

Additional Information:





1. During the year, a machine costing Rs.40,000 with its accumulated depreciation of Rs.24,000 was sold for Rs.20,000.
2. Patents were written off to the extent of Rs.40,000 and some patents were sold at a profit of Rs.20,000.

21. From the following information, calculate Cash Flow from Financing Activities:

Particulars	31 st March 2020 (Rs.)	31 st March 2019 (Rs.)
Equity Share Capital	5,00,000	4,00,000
10% Debentures	1,00,000	1,50,000
Securities Premium Reserve	50,000	40,000
Bank Overdraft	2,00,000	1,50,000
Interest on Bank Overdraft	15,000	10,000

Additional Information : Interest Paid on Debentures Rs.10,000.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. From the following Balance Sheets of Lavender Ltd as at 31 st March 2018 and 2019, prepare a Comparative Balance Sheet.

	31-03-2018	31-03-2019
I. Equity and Liabilities:		
1. Share Holder's Fund		
a) Share Capital	5,00,000	10,00,000
b) Profit and Loss Account	2,50,000	8,60,000
2. Non-Current Liabilities		
a) Long- Term Borrowings	2,00,000	1,50,000
b) Long -Term Provisions	50,000	60,000
3. Current Liabilities		
a) Income Tax Payable	15,000	20,000
b) Trade Creditors	40,000	30,000
Total	10,55,000	21,20,000
II. Assets:		
1. Non-Current Assets		
a) Fixed: Tangible Assets		
i) Buildings and Equipment	7,00,000	15,00,000
ii) Long Term Loans and Advances	3,00,000	4,00,000
2. Current Assets		
a) Stock	10,000	50,000
b) Debtors	16,000	59,000
c) Sundry Advances	14,000	21,000
d) Cash	15,000	90,000
Total	10,55,000	21,20,000





23. From the following Balance Sheets of Samba Ltd. at 31st March 2019 and 31st March 2018, prepare the Cash Flow Statement:

Particulars Note No. 31st March 2019 (Rs.) 31st March 2018 (Rs.)

I. EQUITY AND LIABILITIES

1. Shareholder's Funds

(a) Share Capital	1	7,50,000	7,50,000
(b) Reserves and Surplus	2	3,10,000	(20,000)

2. Non - Current Liabilities

Long Term Borrowings (8% Debentures)		2,60,000	1,50,000
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3. Current Liabilities

(a) 8% Bank Loan		40,000	50,000
(b) Trade Payables		1,20,000	1,10,000
(c) Short Term Provisions	3	50,000	40,000

TOTAL **15,30,000** **10,80,000**

II. ASSETS

1. Non- Current Assets

(a) Fixed Assets

(i) Tangible Assets (Net)	8,60,000	6,20,000
(ii) Intangible Assets (Goodwill)	15,000	40,000

(b) Non- Current Investments	1,25,000	80,000
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2. Current Assets

(a) Current Investments	5,000	15,000
(b) Inventories	1,95,000	1,00,000
(c) Trade Receivables	2,00,000	2,00,000
(d) Cash and Cash Equivalents	1,30,000	25,000

TOTAL **15,30,000** **10,80,000**

Notes to Accounts

Particulars 31st March 2019 (Rs) 31st March 2018 (Rs)

1. Share Capital

Equity Share Capital	5,50,000	4,50,000
10% Preference Share Capital	2,00,000	3,00,000
	7,50,000	7,50,000

2. Reserves and Surplus

Securities Premium Reserve	10,000
General Reserve	1,50,000	1,20,000
Surplus a/c	1,50,000	(1,40,000)
	3,10,000	(20,000)

3. Short - Term Provisions

Provision for Tax	50,000	50,000
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Additional Information:





1. During the year a piece of machinery costing Rs.60,000 on which depreciation was charged was Rs.20,000 was sold at 50 % of its book value. Depreciation provided on tangible assets was Rs.60,000
2. Income Tax Rs.45,000 was provided.
3. At the end of the year Preference shares were redeemed at a premium of 5 %.
4. Additional Debentures were issued at par on 1st October 2018 and Bank loan was repaid on the same date.

24. From the following balance sheets given below, you are required to prepare Funds Flow Statement.

	31-12-2018	31-12-2019
I. Equity and Liabilities:		
1. Share Holder's Fund		
a) Share Capital	1,10,000	1,50,000
b) Reserves and Surplus		
General Reserves	4,000	4,000
Profit and Loss Account	2,000	2,400
2) Non- Current Liabilities		
a) 9% Debentures	12,000	14,000
b) Long Term Provisions		
c) Provision for Taxation	6,000	8,400
3) Current Liabilities		
a) Trade Creditors	49,000	35,600
b) Proposed Dividend	10,000	11,600
Total Liabilities	1,93,000	2,26,000
II. Assets:		
1. Non-Current Assets		
a) Fixed: Tangible Assets		
i) Land and Building	60,000	50,000
ii) Plant and Machinery	30,000	50,000
2. Current Assets		
i) Stock	60,000	70,000
ii) Debtors	40,000	48,000
iii) Bank	2,400	7,000
iv) Cash	600	1,000
Total Assets	1,93,000	2,26,000

25. Given:

Receivables Turnover	4
Payables Turnover	6
Inventory Turnover	8
Capital Turnover Ratio	2 Times
Fixed Assets Turnover Ratio	8 Times
Gross Profit Ratio	25%

Gross Profit during the year amounted to Rs. 80,000. There is no long term loan or overdraft.





Reserves and surplus amount to Rs. 28,000. Ending inventory of the year is Rs. 2,000 above the beginning inventory. Notes receivable amount to Rs. 5,000 and notes payable are Rs. 2,000. Prepare a Balance Sheet on the basis of the information given above.

(2×15=30)

