

QP CODE: 25020598



Reg No : .....

Name : .....

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE / MERCY CHANCE  
EXAMINATIONS, FEBRUARY 2025**

**Sixth Semester**

**CORE - CO6CRT20 - MANAGEMENT ACCOUNTING**

(Common to all B.Com Degree Programmes)

2017 Admission Onwards

D930488E

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.*

**Part A**

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Distinguish between Management Accounting and Financial Accounting ? (Any Two Points )
2. What is Budgetary Control ?
3. List the objectives of Financial Statements.
4. Write a short note on Inter-firm Analysis.
5. Write a note on Secondary ratios.
6. Calculate Current Assets and Working Capital, if Current Ratio is 2.5 and Current Liability is Rs.20,000.
7. What is Stock Turnover Ratio?
8. What is Preference share Dividend Cover?
9. How will you treat appropriation of retained earnings and loss on sale of non-current assets while determining Funds from Operations?
10. State the treatment of provision for taxation while preparing the Funds Flow Statement.
11. What is meant by Cash Inflow ? Give an example .
12. GSC Ltd. purchased a building for Rs.25,00,000 and paid the consideration by the issue of Equity Shares. Ajas, the accountant, has prepared the cash flow statement and has shown



the transaction as follows;

Investing Activities: Purchase of Building Rs.25,00,000

Financing Activities: Issue of Equity Shares Rs.25,00,000

Do you think that it is in accordance with per AS – 3?

(10×2=20)

### Part B

Answer any **six** questions.

Each question carries **5** marks.

13. State the limitations of financial accounting and point out how management accounting helps in overcoming them.
14. Explain the limitations of Financial Statement Analysis.
15. Prepare a Common Size Statement of Profit and Loss of H Ltd from the following information.

Particulars	31-03-2019
Revenue From Operations	3,20,000
Cost of materials consumed	1,44,000
Employee Benefit Expenses	32,000
Depreciation	24,000
Other Expenses	5 % of Revenue from operations
Income Tax	40%

16. Explain the advantages of Ratio Analysis.
17. The Balance Sheet of Alakapuri Ltd. as on 31.03.2019 is given below:

### Balance Sheet

Particulars	Note No.	Amount
<b>I. EQUITY &amp; LIABILITIES</b>		
(1) Shareholder's Fund		
(a) Share capital		3,00,000
(b) Reserves & Surplus ( P & L a/c)		40,000
(2) Non-Current Liabilities	1	
Long term borrowings (8% debentures)		1,00,000
(3) Current Liabilities		90,000
<b>Total</b>		<b>5,30,000</b>
<b>II. ASSETS</b>		
(1) Non- Current Assets:		
Fixed Assets		3,60,000
(2) Current assets:		
		50,000



(a) Inventories ( Stock)	1,16,000
(b) Trade Receivables ( Debtors)	4,000
© Cash & Cash Equivalents ( Bank Balance)	
Total	5,30,000

#### Notes to Account

Particulars	Amount
1. Share Capital:	
Equity share capital	2,00,000
4% Preference share capital	1,00,000
Total	3,00,000

Calculate:

- (1) Debt Equity ratio
- (2) Proprietary ratio
- (3) Fixed Assets to Net worth Ratio
- (4) Capital Gearing Ratio

18. What is 'Funds Flow Statement'? Examine its managerial uses.
19. Explain the procedure for the preparation of Schedule of Changes in Working capital.
20. The following is the position of Current Assets and Current Liabilities of Y Ltd.

PARTICULARS	31st March 2019	31st March 2020
	(Rs)	(Rs)
Provision for doubtful debts	1,000	—
Trade Receivables	10,000	19,000
Creditors	15,000	10,000
Bills Payable	20,000	40,000

The Company incurred a loss of Rs.45,000 during the year. Calculate Cash Flow from Operating activities.

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

Particulars	31st March 2020	31st March 2019
	(Rs.)	(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 Sheet of RS Ltd as at 31 st.March 2019, prepare a Common Size Balance Sheet.

	31-03- 2019
<b>I. Equity and Liabilities:</b>	
1. Share Holder's Fund	
a) Share Capital	3,60,000
b) Preference Share Capital	2,00,000
c) Profit and Loss Account	1,51,800
d) General Reserve	78,000
2. Non-Current Liabilities	
a) 10% Debentures	4,50,000
b) Long Term Borrowings	7,80,000
c ) Accumulated Depreciation on Building	1,20,000
d) Long Term Provisions	2,15,000
3. Current Liabilities	
a) Income Tax Payable	12,000
b) Outstanding Expenses	24,000
c) Trade Creditors	2,40,000
<b>Total</b>	<b>26,30,800</b>
<b>II. Assets:</b>	
1. Non-Current Assets	
a) Fixed: Tangible Assets	
i) Land	11,20,000
ii) Buildings and Equipment	3,60,000
b) Fixed: Intangible Assets	
i) Goodwill	3,75,000
ii) Trade Marks	1,25,000





2. Current Assets	
i) Stock	2,64,000
ii) Debtors	1,68,000
iii) Sundry Advances	1,07,800
iv) Cash at Bank	1,01,000
v) Cash in Hand	10,000
<b>Total</b>	<b>26,30,800</b>

23. Assume that a firm has owner's equity of Rs. 1,00,000. The ratios for the firm are:

Current Debt to Total Debt	0.40
Total Debt to Owner's Equity	0.60
Fixed Assets to Owner's Equity	0.60
Total Assets Turnover	2 Times
Inventory Turnover	8 Times

Complete the following Balance Sheet, given the information above.

Liabilities	Amount	Asset	Amount
Current Debt	.....	Cash	.....
Long term Debt	.....	Inventory	.....
Total Debt	.....	Total Current Assets	.....
Owner's Equity	.....	Fixed Assets	.....
Total Equity	.....	Total Assets	.....

24. Prepare Funds Flow Statement from the following.

	Rs. in '000	
	31-03-2018	31-03-2019
<b>I. Equity and Liabilities:</b>		
1. Share Holder's Fund		
a) Share Capital	1,400	1,740
b) Reserves and Surplus	600	680
2. Non-Current Liabilities		
a) Debentures	880	880
3. Current Liabilities		
a) Sundry Creditors	1,200	1,280
<b>Total</b>	<b>4,080</b>	<b>4,580</b>
<b>II. Assets:</b>		
1. Non-Current Assets		
a) Fixed: Tangible Assets		
i) Land	800	600



ii) Plant	560	668
b) Fixed: Intangible Assets		
i) Patents	40	36
ii) Discount on Debentures	80	72
2. Current Assets		
i) Stock	600	688
ii) Debtors	400	740
iii) Cash	1,600	1,776
<b>Total</b>	<b>4,080</b>	<b>4,580</b>

25. From the following Balance Sheets , Prepare Cash Flow Statement :

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

Particulars

### I. EQUITY AND LIABILITIES

#### 1. Shareholder's Funds

(a) Share Capital

2,50,000

2,00,000

(b) Reserves and Surplus

1

90,600

80,500

#### 2. Non - Current Liabilities

....

....

Long Term Borrowings

#### 3. Current Liabilities

(a) Short Term Borrowings : Bank Loan

...

70,000

(b) Trade Payables

1,35,200

1,50,000

(c) Provision for tax

35,000

30,000

**TOTAL**

**5,10,800**

**5,30,500**

### II. ASSETS

#### 1. Non- Current Assets

(a) Fixed Assets

2

3,59,000

3,50,000

(i) Tangible Assets

(ii) Intangible Assets (Goodwill)

5,000

...

(b) Non- Current Investments

#### 2. Current Assets

(a) Current Investments

74,000

1,00,000

(b) Inventories

64,200

80,000

(c) Trade Receivables

8,600

500

(d) Cash and Cash Equivalents

**5,10,800**

**5,30,500**

**TOTAL**

Notes to Accounts :

Particulars

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



1. Reserves and Surplus

General Reserve	60,000	50,000
Surplus a/c	30,600	30,500
	<b>90,600</b>	<b>80,500</b>

2. Tangible Assets

Land and Building	1,90,000	2,00,000
Plant and Machinery	1,69,000	1,50,000
	<b>3,59,000</b>	<b>3,50,000</b>

Additional Information:

1. Dividend of Rs.23,000 was paid.
2. The income tax paid during the year Rs.28,000
3. Machinery was purchased during the year Rs.33,000
4. Depreciation written off on machinery Rs.14,000 ; building Rs.10,000

(2×15=30)