

(Pages : 6)

N – 4861

Reg. No. :

Name :

**Eighth Semester B.Com. LL.B. Five Year Integrated Degree Examination,
August 2022**

**Paper VI : Management Accounting
(2013 – 2019 Admission)**

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer any **five** of the following questions. **Each** question carries **2** marks. Answer should not exceed **50** words each.

1. Define management accounting.
2. State any two differences between management accounting and financial accounting.
3. What is proprietary ratio?
4. When does the flow of fund take place?
5. What do you mean by cash flow statement?
6. What is master budget?
7. Define a report.

(5 × 2 = 10 Marks)

P.T.O.

SECTION – B

Answer any **four** of the following questions. **Each** question carries **4** marks. Answer should not exceed **120** words each.

1. Explain trend analysis.
2. How do you ascertain funds from operations?
3. From the following figures of ABC Ltd. Calculate Return on Capital employed and Return on Total Assets:

Net profit before interest and tax ₹ 2,75,000; Net profit after tax ₹ 2,20,000; Net profit after interest and tax ₹ 1,10,000; Preference Dividend ₹ 35,000; Capital employed ₹11,00,000; Total Assets ₹ 12,65,000; Net worth or equity shareholder's funds ₹7,50,000.

4. From the following two balance sheets as at December 31, 2015 and 2016, prepare the schedule of changes in working capital:

	2016	2015	2016	2015
Liabilities	₹	₹	₹	₹
Share capital	3,25,000	3,00,000		
Debentures	1,50,000	2,00,000		
Profit & Loss a/c	1,70,000	1,00,000		
Trade creditors	98,000	75,000		
Outstanding creditors	2,000	5,000		
Assets				
Cash			5,000	4,000
Debtors			30,000	46,000
Stock in trade			1,10,000	80,000
Plant and Machinery			90,000	1,00,000
Land			5,10,000	4,50,000
	<u>7,45,000</u>	<u>6,80,000</u>	<u>7,45,000</u>	<u>6,80,000</u>

5. Prepare a production budget of Info Limited for 2015-16 from the following information:

Products	Sales as per Sales Budget (in Units)	Estimated stocks (in Units)	
		1-07-2015	30-06-2016
P	4,88,000	10,000	22,000
Q	3,75,000	20,000	45,000
R	6,00,000	50,000	25,000

(4 × 4 = 16 Marks)

SECTION – C

Answer any **four** of the following questions. **Each** question carries **6** marks.

1. What are the differences between management accounting and cost accounting?
2. What are the limitations of financial statements?
3. The following are the summary of cash transactions extracted from the books of Zion Ltd.

	₹ (in '000')
Balance as on 1 st April, 2015	140
Receipts from customers	11,132
Issue of shares	1,200
Sale of fixed assets	512
	<hr/>
	12,984
Payments to suppliers	8,188
Payments for fixed assets	920
Payments for overheads	460
Wages and salaries	276
Taxation	972
Dividends	320
Repayment of bank loans	1,000
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	12,136
Balance as on 31 st March, 2016	848

You are required to ascertain cash from the operating activities for the period ended 31st March, 2016.

4. From the following information, calculate debtors turnover ratio and average collection period.

	₹
Total debtors (opening balance)	2,00,000
Cash sales	1,50,000
Credit sales	10,00,000
Cash collected	7,80,000
Sales returns	60,000
Bad debts	40,000
Discount allowed	20,000
Provision for bad debts	25,000
No. of days in a year—	360

5. The expenses for the production of 500 units in a factory are given as follows:

	Per Unit
	₹
Materials	80
Labour	60
Variable over head (Factory)	15
Fixed factory overhead (₹ 5000)	10
Administrative expenses (20% Variable)	10
Selling and distribution expenses (50% Fixed)	10
Total cost	<u>185</u>

You are required to prepare a flexible budget for 600 units.

(4 × 6 = 24 Marks)

SECTION – D

Answer any **three** of the following questions. **Each** question carries **10** marks.

1. From the following information on 31st March, 2016, prepare balance sheet of Ajay Ltd. with maximum details.

(a) Current Ratio	2.5
(b) Liquid Ratio	1.5
(c) Proprietary Ratio	0.75
(d) Working Capital	60,000
(e) Reserves and surplus	40,000
(f) Bank overdraft	10,000

There are no long term loans or fixed assets.

2. From the following two balance sheet of M/s Mohan Traders as at December 31, 2015 and 2016. Prepare the statement of sources and application of funds.

	2015	2016	2015	2016
	₹	₹	₹	₹
Liabilities				
Share capital	80,000	90,000		
Trade creditors	20,000	46,000		
Profit & Loss a/c	4,60,000	5,00,000		
Assets				
Cash			60,000	94,000
Debtors			2,40,000	2,30,000
Stock in trade			1,60,000	1,80,000
Land			1,00,000	1,32,000
	<u>5,60,000</u>	<u>6,36,000</u>	<u>5,60,000</u>	<u>6,36,000</u>

3. The financial data of Joy Ltd. are as follows:

Particulars	2016	2015
	₹	₹
Total Assets	70,50,000	59,25,000
Current Liabilities	20,35,000	10,30,000
Long-term Debt	8,45,000	9,10,000
Shareholders Equity	44,80,000	41,35,000
Earnings Before Interest and Taxes	8,80,000	4,60,000
Total Interest	50,000	50,000

- (a) Calculate the solvency ratios for 2016 and 2015. The company's tax rate is 50%.
- (b) Evaluate the solvency ratios of the company and comment upon the solvency position of the company for the past 2 years.

4. Explain the managerial uses of cash flow statement.

(3 × 10 = 30 Marks)

