

**Sixth Semester B.Com. Degree Examination****August / September - 2024****(CBCS-NEP-SCHEME)  
COMMERCE****PAPER : NCF 0230 : Management Accounting****Time: 2 Hours****Max. Marks : 60****Instruction to Students:**

1. The students should legibly write Section number along with question numbers within the margin only.
2. The answers without Section number and question numbers will not be valued.
3. Section - I Multiple Choice Questions should be answered in the first page of main answer book and same questions shall not be answered repeatedly.
4. Any identifications like marking, ticking, dots etc., in the options of MCQ Questions (Section-I) on the question paper is strictly prohibited. Do not write anything (except register number) on the question paper. **Ordinary calculator can be used.**

**SECTION - I**

1. Select the most appropriate answer from the options provided. One mark each.  $10 \times 1 = 10$
- I-1. Which of the following is not a characteristic of management accounting?
 

a) Future-oriented	b) Accounting information
c) Compulsory accounting	d) Management oriented
- I-2. Management accounting deals with what kind of information?
 

a) Qualitative	b) Quantitative
c) Both a & b	d) None of the above
- I-3. Management accounting provides valuable services to management in performing
 

a) Coordinating	b) Controlling
c) Planning	d) All managerial functions
- I-4. Which one of the following statement is not a tool in financial statement analysis?
 

a) Trend Analysis	b) Common Size Statements
c) Comparative Statements	d) Marginal Costing
- I-5. If the price-earnings ratio is 0.05 and earnings per share is Rs. 8, the market price of a share will be
 

a) 120	b) 100	c) 160	d) 0.40
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- I-6. If selling price is fixed at 25% above the cost, the Gross Profit ratio is
 

a) 13%	b) 28%	c) 26%	d) 20%
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- I-7. Given Current ratio is 2.5, Current liability is Rs. 2,00,000, then current asset is
 

a) 4,00,000	b) 5,00,000
c) 6,00,000	d) 3,00,000

I-8. Kia Ltd. has a current ratio of 3:1. If its stock is Rs. 40,000 and total current liabilities are Rs. 75,000, the quick ratio will be:

- a) 2.7:1
- b) 2.47:1
- c) 4:1
- d) 2.36:1

I-9. If Sales is Rs 40,00,000 cost of Goods sold is 60% of sales, operating Expenses are Rs. 3,00,000 and rate of Tax is 40%, What will be the profit after Tax?

- a) Rs 5,20,000
- b) Rs 6,40,000
- c) Rs 7,80,000
- d) Rs 9,60,000

I-10. If the company's share capital is Rs 5,00,000, Reserves are Rs 1,00,000 and longterm borrowings are Rs 4,50,000. What will be the Debt Equity Ratio?

- a) 0.25:1
- b) 0.5:1
- c) 0.75:1
- d) 1:1

## **SECTION - II**

**II. Answer any FIVE of the following Questions. THREE Marks Each.**

$$5 \times 3 = 15$$

- II-1. What are the Functions of Management Accountant?
- II-2. Write a short note on the merits of Cash flow analysis.
- II-3. Explain the Importance of Management Audit.
- II-4. From the following particulars prepare a common-size income statement.

Particulars	2022	2023
Net sales	600	800
Cost of goods sold	400	500
Operating expenses	40	50
Non-operating expenses	30	40

II-5 Calculate the trend percentages from the following figures of X Ltd.

Year	Sales	Stock	Profit Before Tax
2020	1,881	709	321
2021	2,340	781	435
2022	2,655	816	458
2023	3,021	944	527

II-6. Given Current Ratio is 3.75, Working Capital is Rs. 3,57,500. Calculate the amount of Current Assets and Current Liabilities.

II-7. Average stock of a firm is Rs. 40,000 and its opening stock is Rs. 10,000 which is more than the closing stock. Find out its opening and closing stock.

II-8. The following information relates to Chirag Ltd:

Particulars	Rs
10% Preference shares of Rs. 10 each	50,00,000
Equity shares of Rs. 100 each	70,00,000
Profit after tax @50%	15,00,000
Calculate the Earnings per Share.	

## SECTION - III

**III. Answer any THREE of the following Questions FIVE Marks Each. 3x5=15**

III-1. Explain the objectives of Management Accounting.

III-2. Distinguish between Fund Flow Statement and Cash Flow Statement.

III-3. Balance Sheet of Eshanya Ltd. for the year 2022 and 2023 are given below. Prepare a comparative balance sheet.

Liabilities	2022	2023	Assets	2022	2023
Equity Share Capital	3,00,000	5,50,000	Buildings	2,00,000	3,00,000
P & L A/C	1,00,000	1,50,000	Investments	2,00,000	2,50,000
Long term Loans	1,00,000	1,50,000	Accounts Receivable	50,000	2,00,000
Creditors	50,000	1,50,000	Cash at Bank	25,000	75,000
			Stock	75,000	1,75,000
	5,50,000	10,00,000		5,50,000	10,00,000

III-4. From the following information calculate Debtors Turnover Ratio and Average Collection Period:

Particulars	Rs.
Total Sales	4,00,000
Cash Sales	80,000
Return inwards	28,000
Debtors at the beginning	28,000
Bills Receivable at the beginning	24,000
Debtors at the end	36,000
Bills Receivable at the end	8,000

III-5. From the particulars given below calculate the cash flow from operating activities.

Particulars	31.12.22	31.12.23
	Rs.	Rs.
Stock	8,000	4,000
Debtors	12,000	16,000
B/R	6,000	2,000
B/P	15,000	9,000
Creditors	10,000	15,000
Prepayments	3,000	5,000

The Net Profit of the concern was Rs. 75,000 after taking into consideration the following items.

	Rs
Depreciation written off	12,000
Goodwill written off	5,000
Transfer to General Reserve	15,000
Loss on sale of plant	3,000
Profit on sale of Land	8,000

## SECTION - IV

## IV. Answer the following Questions. TEN Marks Each.

2x10=20

IV-I. Distinguish between Financial Accounting and Management Accounting.

OR

The following is the Balance Sheet of Mangala Ltd. as on 31-03-2024

Liabilities	Rs	Assets	Rs
Equity Share capital	1,00,000	Fixed assets	2,60,000
Reserves & Surplus	1,00,000	Investments (short term)	30,000
6% Mortgage loan	1,40,000	Cash	10,000
Creditors	12,000	Debtors	40,000
B/P	20,000	Stock	60,000
O/S Expenses	2,000		
Provision for taxation	26,000		
	4,00,000		4,00,000

Other Information:

Net Sales Rs. 6,00,000

Cost of Goods sold Rs. 4,80,000

You are required to compute: (a) Current ratio (b) Liquid ratio (c) Stock turnover ratio and (d) Gross profit ratio.

IV-2. What is Management Audit? Explain the steps involved in Management Audit.

OR

Following are the summarized Balance Sheets of Sun Ltd. as on 31.12.2022 and 31.12.2023.

Liabilities	2022 Rs.	2023 Rs.	Assets	2022 Rs.	2023 Rs.
Share Capital	1,00,000	1,50,000	Land and Building	1,00,000	90,000
General Reserve	50,000	60,000	Plant & Machinery	1,00,000	1,19,000
P & L A/c	30,500	30,000	Stock	50,000	24,000
Bank Loan	70,000	-	Debtors	75,000	63,200
Creditors	50,000	37,200	Cash	500	1,000
Provision for Taxation	32,000	35,000	Bank	2,000	15,000
	3,32,500	3,12,200	Goodwill	5,000	
				3,32,500	3,12,200

## Additional information:

During the year ended 31<sup>st</sup> December 2023-

- Dividend of Rs. 23,000 was paid
- Depreciation written off on Building Rs. 10,000, Machinery Rs. 14,000.
- Income Tax paid during the year Rs. 28,000

Prepare a Cash Flow Statement under indirect method for the year ended 31.12.2023.

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