

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. 10x1=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 |
|--------|--------|--------|---------|
- 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% |
|--------|--------|--------|--------|
- 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 is 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.

5x3=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**2x10=20****IV. Answer the following Questions. TEN Marks Each.**

IV-1. 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 |
| | | | Goodwill | 5,000 | |
| | 3,32,500 | 3,12,200 | | 3,32,500 | 3,12,200 |

Additional information:During the year ended 31st December 2023-

a. Dividend of Rs. 23,000 was paid

b. Depreciation written off on Building Rs. 10,000, Machinery Rs. 14,000.

c. Income Tax paid during the year Rs. 28,000

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