

VI Semester B.Com. Degree Examination, August/September - 2023

COMMERCE

Management Accounting

(CBCS Scheme - Repeaters-2018)

Time : 3 Hours

Maximum Marks : 70

Instructions to Candidates:

Answers should be written completely either in English or in Kannada

SECTION - A

Answer any Five sub- questions. Each sub question carries Two marks. (5×2=10)

1. a) What is the Meaning of Financial statement analysis?
b) What is Trend Analysis?
c) Give the meaning of Management Accounting.
d) Give the meaning of working capital.
e) What is Ratio Analysis?
f) Give two examples of cash from investing activities.
g) Give the meaning of Quick Ratio.

SECTION - B

Answer any Three questions from the followings. Each question carries six marks.
(3×6=18)

2. What are the differences between financial Accounting and Management Accounting.
3. Prepare a schedule of changes in working capital from the following:

Particulars	2020	2021
Sundry creditors	80,000	1,00,000
Tax payable	50,000	80,000
O/S Exp.	20,000	28,000
Bills Payable	10,000	8,000
Sundry debtors	70,000	1,25,000
Stock	27,000	33,000
Bills Receivable	5,000	4,000
Work in progress	3,000	5,000

(2)



4. From the following particulars of Rock Ltd. Calculate the trend Percentage for the years 2015 to 2019 taking 2014 as the base year.

Items	2014	2015	2016	2017	2018	2019
Sales	1880	2350	2820	3384	3948	4230
Cost of Goods Job	1020	1122	1530	1836	2091	2142
Operating Exp.	420	483	546	693	777	861

5. Explain the principles of Good Management report.

6. The following is the information given below.

Net Sales = Rs. 12,00,000

Selling Exp. = Rs. 1,20,000

Distribution Exp. Rs. 80,000

Dividend received Rs. 50,000

Loss On sale of Asset = Rs. 60,000

Calculate Gross Profit Ratio, Net Operating Ratio and Net Profit Ratio.

SECTION - C

Answer any three questions. Each question carries 14 marks.

(3×14=42)

7. From the following information, prepare a common size balance sheet.

Particulars	2020	2021
Equity share capital	4,00,000	6,00,000
Debentures	2,00,000	3,25,000
Sundry Creditors	2,55,000	1,17,000
Bank over draft	7,000	10,000
	<u>8,62,000</u>	<u>10,52,000</u>
Plant and Machinery	1,00,000	2,00,000
Land and Building	3,60,000	5,40,000
Investment	2,70,000	1,70,000
Sundry Debtors	1,00,000	88,000
Cash in hand	32,000	54,000
	<u>8,62,000</u>	<u>1,05,2000</u>

8. State whether the following transactions increase or decrease or do not affect the working capital.
- A company issues Rs. 1,00,000 worth of shares for cash
 - Redemption of debentures worth Rs. 2,00,000
 - Amount received from debtors Rs. 32,000
 - Amount paid to creditors Rs. 15,000

- e) Plant sold for Rs. 40,000
 f) Raw Material purchased Rs. 6,000 from 2B company on credit basis.
 g) Furniture purchased Rs. 40,000
 h) Purchased plant worth Rs. 1,00,000 by issuing equal amount of debentures of Rs. 500 each.
 i) Paid Rs. 20,000 towards the cost of issue of shares.
 j) Debentures worth Rs. 1,00,000 redeemed by raising long-term loan of equal amount.
 k) Land was exchanged for machinery worth Rs. 1,50,000
 l) Debtors of Rs. 10,000 paid cash.

9. A company supplies the following information.

Capital and Liabilities	Rs.	Assets	Rs.
Share Capital	2,00,000	Goodwill	1,20,000
Reserves and Surplus	58,000	P and M	1,50,000
Debentures	1,00,000	Stock	80,000
Creditors	40,000	Debtors	45,000
Bills payable	20,000	Cash	17,000
Other Current Liabilities	2,000	Misc. Current Asset	8,000
	<u>4,20,000</u>		<u>4,20,000</u>

Sales Rs. 4,00,000, Gross Profit Rs. 1,60,000

Calculate :

- a) Current Ratio
 b) Quick Ratio
 c) Inventory turnover ratio
 d) Average Collection period
 e) Proprietor funds to liabilities.
10. Following is the balance sheet of AB Co. Ltd. as at 1st April 2020 and 31st March 2021

Particulars	2020	2021
Equity share capital	3,00,000	3,50,000
Share premium	-	30,000
General Reserve	45,000	65,000
P and L a/c	30,000	80,800
6% Debentures	-	70,000
Sundry Creditors	85,000	90,700
Provision for tax	22,500	40,500
Proposed Dividend	30,000	35,000
	<u>5,12,500</u>	<u>7,62,000</u>



Land and Buildings	2,30,000	3,90,000
Plant and Machinery	85,400	1,40,000
Furniture	5,500	6,500
Stock	82,400	95,700
Sundry debtors	75,000	85,500
Bank Balance	<u>34,200</u>	<u>44,300</u>
	<u>5,12,500</u>	<u>7,62,000</u>

Additional Information :

Depreciation written off during the year

Land and Building Rs. 60,000

Plant and Machinery Rs. 50,000

Furniture Rs. 1,200

You are require to prepare cash flow statement.

11. The balance sheet of 'Y' Ltd. as on 31/3/2021 and 31/3/2022 were as follows.

Particulars	2021	2022
Land and Building	80,000	1,20,000
Plant and Machinery	5,00,000	8,00,000
Stock	1,00,000	75,000
Sundry Debtors	1,40,000	1,50,000
Prepaid exp.	14,000	12,000
Cash at Bank	<u>16,000</u>	<u>18,000</u>
	<u>8,50,000</u>	<u>11,75,000</u>
Share capital	5,00,000	7,00,000
P and L a/c	1,00,000	1,60,000
General Reserve	50,000	70,000
Sundry Creditors	1,63,000	2,00,000
Bills payable	30,000	40,000
O/S expenses	<u>7,000</u>	<u>5000</u>
	<u>8,50,000</u>	<u>11,75,000</u>

Additional information:

- Rs. 50,000 depreciation has been charged to plant and Machinery during the year 2022.
- A piece of Machinery was sold for Rs. 8,000 during 2022. It had cost Rs. 12,000, depreciation of Rs. 7000 has been provided on it.
Prepare fund flow statement.