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VI Semester B.Com. Degree Examination, September/October - 2022

## COMMERCE

## Management Accounting

(Scheme CBCS 2019-20 Freshers) (Regular)

Paper : AC 6.3

Time : 3 Hours

Maximum Marks : 70

**Instructions to Candidates :**

Answer should be written completely in English.

## SECTION - A

1. Answer any **Five** sub-questions. Each question carries **2** marks. (5×2=10)
- What do you mean by Management Accounting?
  - Write the meaning of Trend Analysis.
  - Write any four components of current liabilities.
  - What is Break-Even point?
  - What do you mean by cash and cash equivalents? Give example.
  - What is Flexible budget?
  - What do you mean by variance Analysis?

## SECTION - B

- Answer any **Three** questions. Each question carries **5** marks. (3×5=15)
2. From the following information prepare comparative Income statement of 'B' Co. Ltd.

Particulars	31/12/2020 (Rs.)	31/12/2021 (Rs.)
Sales	21,50,000	25,00,000
Cost of Goods sold	13,00,000	14,50,000
<u>Operating Expenses:</u>		
Administration Expenses	2,10,000	1,80,000
Selling Expenses	1,90,000	2,50,000
<u>Non operating Expenses:</u>		
Intrest paid	1,40,000	1,20,000
Income Tax	1,70,000	2,30,000

[P.T.O.]





3. The following information is obtained from Anurag Co. Ltd. for the year 2021.

Sales - Rs.1,20,000

Variable cost - Rs.60,000

Fixed cost - Rs.30,000

a) Calculate P/v ratio, BEP and Margine of safety, at given level.

b) If sales is increased by 10%

Calculate P/v ratio, and BEP.

4. Given,

GP = Rs.1,60,000

NP = Rs.90,000

Gross sales - Rs.8,24,000

Sales Returns - Rs.2,40,000

Opening stock - Rs.1,80,000

and closing stock - Rs.1,40,000.

Calculate:

1) GP Ratio

2) NP Ratio

3) Cost of Goods sold

4) Stock Turnover Ratio.

5. The standard material and standard cost per kg of material required for the production of one unit of product 'N' is as follows:

Material - 10 Kgs.

Standard price - Rs.4 per kg

The actual production and related materials data are as follows:

500 units of product N were produced.

Material used - 3,000 Kgs.

Price of material Rs.5 per Kg

Calculate:

a) Material cost variance

b) Material usage variance

c) Material Price variance.





## SECTION - C

Answer any **Three** questions from the following. Each question carries **15** marks. (3×15=45)

6. Following are the B/s of S & Co. and K and Co. as on 31/3/2020. Compare the financial position of the two Co's with the help of common Size B/s and comment.

Particulars	S & Co.	K & Co.
<b>Assets:</b>		
Land & Building	40,000	60,000
Plant & Machinery	1,50,000	3,12,500
Investments	50,000	1,00,000
Stock	75,000	1,00,000
Su - Debtors	50,000	60,000
Cash and Bank Balance	35,000	67,500
	<b>4,00,000</b>	<b>7,00,000</b>
<b>Liabilities:</b>		
Equity share capital	1,00,000	1,50,000
12% Debentures	50,000	1,00,000
10% preference		
Share capital	1,00,000	1,25,000
Reserve and Surplus	50,000	60,000
Provision for Dividend	25,000	35,000
Su - creditors	75,000	2,05,000
Bank O/D	-	25,000
	<b>4,00,000</b>	<b>7,00,000</b>

7. You are given the following data.

Year		Sales	Profit
2021		1,20,000	8,000
2022		1,40,000	13,000

**Find out:**

- P/v ratio
- B.E point
- Profit when sales is 1,80,000
- Sales required to earn a profit of Rs.12,000
- Margine of safety in the year 2022.





8. The following Balance Sheets are given.

Liabilities	2021	2022	Assets	2021	2022
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
Redeemable Pref. Capital	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
P/L A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	BR	20,000	30,000
B.P.	20,000	16,000	Cash in hand	15,000	10,000
Provision for Taxation	40,000	50,000	Cash at Bank	10,000	8,000
	<b>6,77,000</b>	<b>8,17,000</b>		<b>6,77,000</b>	<b>8,17,000</b>

It is also given that:

- Depreciation of Rs.20,000 on Land and building and Rs.10,000 on plant has been charged in 2022.
- Interim Dividend of Rs.20,000 has been paid in 2022.
- Income Tax Rs.35,000 has been paid during 2022.

Prepare cash flow statement for the year 2022.

9. A company expects to have Rs.25,000 balance on 1<sup>st</sup> April, 2021 and requires you to prepare cash budget for 3 months i.e., April, May and June 2021.

The following information is available:

Month	Sales	Purchases	Wages	Office Exp.	Selling Exp.
March	50,000	30,000	6,000	4,000	5,000
April	56,000	32,000	6,500	4,000	5,500
May	60,000	35,000	7,000	4,000	6,000
June	80,000	40,000	9,000	4,000	7,500
July	90,000	40,000	9,500	4,000	8,000

**Other information:**

- All sales are in Credit the amount is collected in the month following that of sales.
- Supplier supply goods at two month's credit.
- Wages and all other expenses are paid in the month following the one in which they are incurred.
- The company pays dividends to shareholders, and bonus to workers of Rs.10,000 and Rs.15,000 respectively in the month of April.
- Income Tax to be paid in June Rs.25,000.