



MAR IVANIOS COLLEGE (AUTONOMOUS)
THIRUVANANTHAPURAM

Reg. No. :

Name :

Sixth Semester B.Com. Degree Examination, April 2018

First Degree Programme under CBCSS

Core Course: Commerce – XVI

AUCO643: Management Accounting

(Common for **Regular** – 2015 and **Reappearance** – 2014 Admn.)

Time: 3 Hours

Max. Marks: 80

SECTION – A

Answer ALL questions in one or two sentences.

1. Define Management Accounting.
2. What is Inter firm comparison?
3. What is a Common Size Statement?
4. What is Capital Gearing Ratio?
5. What do you mean by Average Debt Collection Period?
6. What is Fund from Operations?
7. What is Budget Manual?
8. What is ZBB?
9. What do you mean by Reporting?
10. What are Activity Ratios?

(10 × 1 = 10 Marks)

SECTION – B

Answer any EIGHT questions, each in a short paragraph not exceeding 50 words.

11. What are the objectives of Management Accounting?
12. What do you mean by horizontal analysis and vertical analysis?
13. Calculate Stock Turnover Ratio from the following particulars
Opening stock Rs. 20,000/-
Closing Stock Rs.30,000/-
Purchases Rs.1,00,000
Wages 12000/-
14. X Ltd. has a liquid ratio of 2:1. If its stock is Rs.20000/-and its total current liabilities are Rs.50000/-. Find out its current ratio

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15. What is PE Ratio?
16. Is Depreciation a source of fund? Explain.
17. What do you mean by flow of funds?
18. What are cash flows from financing activities?
19. Differentiate between fund flow statement and cash flow statement
20. What is Performance Budgeting?
21. What are the objectives of budgeting?
22. Explain the types of function wise reports.

(8 × 2 = 16 Marks)

SECTION – C

Answer any **SIX** questions, each in a paragraph not exceeding 120 words.

23. Find out trend percentages from the following figures of Asian Ltd. taking 2010 as base year and interpret the results. (Rs. '000)

Year	Sales	Stock	Profit before tax
2010	1,881	709	321
2011	2,340	781	435
2012	2,655	816	458
2013	3,021	944	527
2014	3,768	1,154	672

24. From the following data calculate : (a) Sales (b) Closing Stock (c) Sundry Debtors and (d) Sundry Creditors

Gross Profit Ratio = 15%

Stock velocity : 6 months

Debtors velocity: 3 months

Creditors velocity: 3 months

Gross profit for the year ending 31st March, 2017 amounts to Rs.60,000/-. Closing stock is equal to opening stock

25. What are the differences between Income Statement and Funds Flow Statement?
26. From the following extracts of Balance sheets of Anchor Ltd., calculate funds from operations:

	31-3-2016	31-3-2017
Balance of Profit and Loss A/c	100000	150000
Additional Information:		
a. Depreciation charged on assets		10000
b. Preliminary Expenses written off		5000
c. Amount transferred to Dividend Equalization fund		15000
d. A plant having a book value of Rs.60000 was sold for		65000
e. Interim Dividend paid		10000

27. What are the differences between Fixed and Flexible budgets?
 28. Differentiate Cost Accounting from Management Accounting.
 29. What are the objectives of reporting?
 30. The expenses for the production of 1000 units in a factory are given below

	Per Unit
Material	120
Labour	80
Variable Overhead (Factory)	20
Fixed Overhead (Factory)	16
Administrative Overhead (10% variable)	15
Selling & Distribution Overhead (20% variable)	<u>12</u>
Total Per Unit	<u>263</u>

You are required to prepare a budget for 1200 unit.

31. Following is the Balance Sheet of Sony Ltd. for 2016 and 2017. Prepare Cash Flow Statement.

Balance Sheet

Liabilities	31.3.2016	31.3.2017	Assets	31.3.2016	31.3.2017
Share Capital	200000	250000	Cash	30000	47000
Creditors	70000	45000	Debtors	120000	115000
Retained Earnings	10000	23000	Stock	80000	90000
			Land	50000	66000
	280000	318000		280000	318000

(6 × 4 = 24 Marks)

SECTION – D

Answer any TWO questions, not exceeding four pages.

32. Explain the Scope and functions of Management Accounting.
 33. What do you understand by Budgetary Control? Explain the necessary steps for the successful implementation of a budgetary control system in a concern.
 34. From the following details, make out the Balance Sheet with all details as possible:
1. Stock Velocity : 6 times
 2. Capital Turnover Ratio : 2 times
 3. Fixed Assets Turnover Ratio : 4 times
 5. Gross Profit Ratio : 20%
 6. Debtors Velocity : 2 months
 7. Creditors Velocity : 73 days

The Gross Profit was Rs.60000/-. Reserves and Surpluses amounted to Rs.20000. Closing stock was Rs.5000 in excess of Opening stock.

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35. The following are the Balance Sheets of Ramsons Ltd. as on 31st March, 2016 and 2017

BALANCE SHEETS

Liabilities	2016	2017	Assets	2016	2017
Share Capital	200000	250000	Land & Buildings	200000	190000
General Reserve	50000	60000	Plant	150000	174000
Profit and Loss A/c	30500	30600	Stock	100000	74000
Bank Overdraft	70000	-----	Debtors	80000	64000
Creditors	150000	135000	Cash	500	600
Provision for Taxation	30000	35000	Bank	---	8000
	530500	510600		530500	510600

Additional Information:

1. Depreciation on Plant was written off Rs.14000 in 2017.
2. Dividend Rs.20000 was paid during 2017.
3. Income tax provision made during the year was Rs.25000.
4. A piece of land was sold during the year at cost.

You are required to prepare a statement showing sources and applications of funds for the year 2017.

(2 × 15 = 30 Marks)