

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)

Chromepet, Chennai - 600 044.

B.Com. CS- END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - VI

**21UBCCT6017 - Management Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

### Section B

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Explain the importance of management accounting.
2. The following are the balance sheets of X & Y Ltd., as on 31<sup>st</sup> March 2020. Prepare common-size balance sheet.

Liabilities	X Ltd., (Rs.)	Y Ltd., (Rs.)	Assets	X Ltd., (Rs.)	Y Ltd., (Rs.)
Share capital	25,00,000	40,000	Fixed assets	60,00,000	80,000
Reserves	10,00,000	60,000	Stock	20,00,000	20,000
10% Debentures	40,00,000	-	Debtors	50,00,000	15,000
Term Loans	60,00,000	10,000	Bills Receivable	10,00,000	10,000
Creditors	20,00,000	20,000	Cash at Bank	20,00,000	15,000
Bills payables	5,00,000	10,000			
	1,60,00,000	1,40,000		1,60,00,000	1,40,000

3. The following data is gathered from the records of Guna Ltd., for the month of January 2020. You are required to calculate Labour Variances.

Standards for labour: Rate - Rs.50 per labour hour Hours per unit - 10 Units	Actual data for the month: Units produced - 1,000 Units Hours worked - 12,000 Actual Labour cost - Rs.7,20,000
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4. Discuss the uses and limitations of ratio analysis.
5. Profit and Loss Account of X Ltd., is given below, Calculate the Profitability Ratios.

Particulars	Rs.	Particulars	Rs.
To opening stock	2,00,000	By sales	16,00,000
To purchases	12,00,000	By closing stock	3,20,000
To administrative expenses	1,20,000	By dividend	4,000
To selling expenses	80,000		
To financial expenses	40,000		
To loss on sale of assets	5,000		
To net profit	2,79,000		
	19,24,000		19,24,000

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6. From the following data you are required to calculate the cash generated from operations:  
Operating Profit before working capital charges for the year 2020 Rs.84,000. Current assets and liabilities as on 01.01.2020 and 31.12.2020 were as follows,

Particulars	Rs.	Rs.
Trade creditors	1,82,000	1,94,000
Trade debtors	2,75,000	3,15,000
Bills receivable	40,000	35,000
Bills payable	27,000	31,000
Inventories	1,85,000	1,70,000
Short-term investments	40,000	70,000
Outstanding expenses	20,000	25,000
Prepaid expenses	5,000	8,000

7. Explain the different classifications of budgets.  
8. Calculate Flexible Budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity.

Particulars	Per Unit (Rs.)
Materials	100
Labour	50
Variable Expenses (Direct)	10
Administrative Expenses (50% Fixed)	40,000
Selling and Distribution Expenses (60% Fixed)	50,000
Present Production (50% Activity)	(Units) 1,000

### Section C

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Jos Ltd., furnishes its balance sheet for the years 2021 and 2022 and requests you to prepare a comparative balance sheet for those years.

Liabilities	2021 (Rs.)	2022 (Rs.)	Assets	2021 (Rs.)	2022 (Rs.)
Equity share capital	8,00,000	12,00,000	Land & buildings	5,00,000	8,00,000
10% Redeemable Preference share capital	3,00,000	2,00,000	Machinery	4,00,000	8,60,000
Capital Reserve	-	50,000	Investments	4,00,000	4,40,000
General Reserve	3,00,000	3,00,000	Trade debtors	2,00,000	4,00,000
P&L A/c	2,00,000	4,00,000	Stock	1,20,000	2,20,000
8% Debentures	1,00,000	2,00,000	Bills receivable	30,000	50,000
Sundry creditors	1,00,000	3,40,000	Cash in hand	20,000	25,000
Bill payable	50,000	60,000	Cash at bank	2,80,000	1,75,000
Liability for expenses	20,000	12,000	Preliminary expenses	50,000	30,000
Proposed dividend	70,000	1,00,000			
Provision for tax	60,000	1,38,000			
	20,00,000	30,00,000		20,00,000	30,00,000

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10. From the following information of product No.007, Calculate Material Variances

Material	Std. Qty. (Kgs)	Std. Price (Rs.)	Actual Qty. (Kgs)	Actual Price (Rs.)
A	20	5	24	4
B	16	4	14	4.5
C	12	3	10	3.25

11. The following figures relate to the trading activities of a company for the year ended 31-12-1987.

Particulars	Rs.	Particulars	Rs.
Sales	1,00,000	Salary of salesmen	1,800
Purchases	70,000	Advertising	700
Closing stock	14,000	Travelling expenses	500
Sales returns	4,000	Salaries (office)	3,000
Dividend received	1,200	Rent	6,000
Profit on sale of fixed assets	600	Stationery	200
Loss on sale of shares	300	Depreciation	1,000
Opening stock	11,000	Other expenses	2,000
		Provision for tax	7,000

You are required to calculate

- (1) Gross profit ratio    (2) Operating profit ratio  
(3) Operating ratio      (4) Net profit ratio

12. The summarised balance sheet of kannan Ltd., as on 31.12.2021 and 31.12.2022 are as follows:

Liabilities	2021 (Rs.)	2022 (Rs.)	Assets	2021 (Rs.)	2022 (Rs.)
Share capital	4,50,000	4,50,000	Fixed assets	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
P & L A/C	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Tax provision	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage loan	-	2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Additional Information

- Investments costing Rs.8,000 were sold for Rs.8,500.
- Tax provision made during the year was Rs.9,000.
- During the year part of the fixed assets costing Rs.10,000 was sold for Rs.12,000 and the profit was included in P&L account.

You are required to prepare cash flow statement for 2022.

13. The sales turnover and profit during two years were as follows

Year	Sales (Rs.)	Profit (Rs.)
2021	1,44,000	15,000
2022	1,60,000	20,000

Calculate: 1. Profit volume ratio, 2. Fixed expenses, 3. Break-even point 4. Sales required to earn a profit of Rs.40,000, 5. Profit when sales are Rs.1,20,000.

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