

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. BIM - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - VI

21UBBCT6019 - Management Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. What is Management Accounting? Describe the nature and Scope of Management Accounting.
2. Compute the trends percentage from the following figures of X Ltd. Taking 2001 as the base.

Year	Sales	Stock	Net Profit
2001	1,881	709	321
2002	2,340	781	435
2003	2,655	816	458
2004	3,021	944	527
2005	3,768	1,154	672

3. Calculate operating profit ratio and Net Profit Ratio.

	Rs.
Sales	2,00,000
Gross profit	70,000
Selling expenses	10,000
Administration expenses	20,000
Income from investments	22,000
Loss due to fire	12,000

4. Explain the different types of financial analysis.
5. Calculate stock turnover ratio & stock turnover period from the following
Sales Rs.10,00,000;
Gross profit ratio 20%;
Stock at the beginning of the year Rs.1,75,000;
Stock at the end of the year Rs.1,45,000.
6. Prepare cash from operations from the following:
Net Profit for the year Rs.80,000
Depreciation written off on fixed assets Rs.11,000
Profit on sale on building Rs.22,000

Contd...

Loss on Sale on Machinery Rs.13,000
 Increase in current assets (except cash) Rs.46,000
 Increase in current liabilities Rs.29,000

7. X Ltd., manufacturing company finds that the cost of making Part No.208 in its workshop is Rs.6. The same part is available in the market at Rs.5.60 with an assurance of continuous supply. The cost data to make the part are:

Material	Rs.2
Direct labour	Rs.2.50
Other variable costs	Rs.0.50
Fixed cost allocated	Re.1
Total	<u>Rs.6</u>

(a) Should the part be made or bought?

(b) Will your answer be different if the market price is Rs.4.60

Show your calculations clearly.

8. With the following data for a 60 percent activity. Prepare a budget for production at 80% and 100% activity.

Production at 60% activity	600 Units
Materials	Rs.100 per unit
Labour	Rs.40 per unit
Expenses	Rs.10 per unit
Factory Expenses	Rs.40,000 (40% fixed)
Administrative expenses	Rs.30,000 (60% fixed)

Section C

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

9. Bring out the difference between Management Accounting and Cost Accounting.

10. From the following Balance Sheet, Prepare a common size Statement:

Liabilities	2010 (Rs.)	2011 (Rs.)	Assets	2010 (Rs.)	2011 (Rs.)
Share Capital	6,58,000	7,00,000	Cash	27,000	31,500
L.T. Debt	2,25,000	2,00,000	Debtors	2,20,000	2,11,000
Sundry Creditors	42,000	50,000	Stock	1,00,000	1,26,000
Other Liabilities	78,000	1,00,000	Prepaid Expenses	11,000	21,000
			Bills Receivable	10,000	10,500
			Fixed Assets	6,35,000	6,50,000
	10,03,000	10,50,000		10,03,000	10,50,000

11. From the following information find out,

- (i) Current assets (ii) Current liabilities
 (iii) Stocks (iv) Fixed assets

Contd...

- (a) Current Ratio : 2.5
- (b) Liquid Ratio: 1.5
- (c) Fixed assets / Proprietary funds : 0.75
- (d) Working capital – Rs.60,000
- (e) Reserves and surplus – Rs.40,000
- (f) Bank Overdraft – Rs.10,000
- (g) There is no long-term loan or fictitious assets.

12. From the following Balance Sheets of Aravind Ltd, you are required to prepare a cash flow statement:

Liabilities	1989 (Rs.)	1990 (Rs.)	Assests	1989 (Rs.)	1990 (Rs.)
Share Capital	4,00,000	5,00,000	Cash	60,000	94,000
Trade Creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
Profit & Loss A/c	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	5,60,000	6,36,000		5,60,000	6,36,000

13. XYZ company wishes to arrange O.D facilities with its bankers during the period April-June when it will be manufacturing mostly for stock.

Months	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

Conclude the cash budget for the above period from the following data:

- a. 50% of credit sales is realized in the month following the sale and the other 50% in the second month following. Creditors are paid in the month following the month of purchase.
- b. Wages are paid at the end of the respective month.
- c. Cash at Bank – 1st April Rs.25,000
