

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.PA - END SEMESTER EXAMINATIONS - APRIL 2025

SEMESTER - VI

**23UPACT6016 - Management Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

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

1. Differentiate management accounting and cost accounting.
2. The following are the extracts from the income statements of Bala Ltd., for the 6 years ending 2023. You are required to calculate trend percentages taking 2018 as the base year and give conclusion.

Particulars	2018	2019	2020	2021	2022	2023
Sales	300	340	420	480	520	600
Cost of goods sold	180	204	256	287	300	330
Office expenses	40	42	45	50	55	60
Selling expenses	20	25	30	40	50	60
Net profit/loss	60	69	89	103	115	150

3. Calculate Gross Profit Ratio from the following figures:

	Rs.
Sales	10,00,000
Sales returns	1,00,000
Opening stock	2,00,000
Purchases	6,00,000
Purchase returns	1,50,000
Closing stock	65,000

4. From the following details of trader you are required to calculate stock turnover ratio.

	Rs.
Sales	39,984
Sales returns	380
Opening stock at cost	1,378
Closing stock at cost	1,814
Total Gross profit for the year	8,068

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5. Compute Net Profit before tax and extraordinary items from the following data:

	Rs.
P&L appropriation account balance on 1.4.2019	8,00,000
P&L appropriation account balance on 31.3.2020	9,00,000
Transfer to general reserve in 2019-20	2,40,000
Proposed dividend debited to P&L appr. A/c	2,50,000
Interim dividend for the year 2019-20	1,00,000
Compensation received in a law suit	2,00,000
Provision for tax as on 1.4.2019	5,00,000
Provision for tax as on 31.3.2020	7,00,000
Tax paid during the year	6,00,000

6. How would you take make or buy decision based on marginal costing?

7. You are required to prepare a production budget for the half year ending June 2020 from the following information:

Product	Budgeted sales	Actual stock on	Desired stock on
	Qty.	31.12.2019	30.6.2020
S	20,000 units	4,000 units	5,000 units
T	50,000 units	6,000 units	10,000 units

8. A project costs Rs.15,60,000 and yields annually a profit of Rs.2,70,400 after depreciation of 12% p.a. but before tax at 25%. Calculate pay-back period.

### Section C

Answer any **THREE** questions ( $3 \times 10 = 30$  Marks)

9. Explain the scope of management accounting.

10. S & Co. Ltd., furnishes its balance sheet for the years 2020 and 2021 and requests you to prepare a comparative balance sheet for those years.

Liab.	2020	2021	Assets	2020	2021
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
E.sh.Capital	80,000	80,000	L&B	80,000	74,000
8% Deben.	80,000	90,000	P&M	60,000	54,000
Retain.Earn.	40,000	49,000	Furniture	20,000	28,000
S.Creditors	50,000	70,000	Inventory	40,000	60,000
B/P	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
	2,60,000	3,04,000		2,60,000	3,04,000

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11. You are given the following information:

	Rs.
Cash	18,000
Debtors	1,42,000
Closing stock	1,80,000
Bills payable	27,000
Creditors	50,000
Outstanding expenses	15,000
Tax payable	75,000

Evaluate (a) Current ratio (b) Liquidity ratio (c) Super quick ratio

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

Liab.	2020 (Rs.)	2021 (Rs.)	Assets	2020 (Rs.)	2021 (Rs.)
Sh.Capital	4,00,000	5,00,000	Cash	60,000	94,000
Creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
P&L 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. A newly started Company wishes to prepare cash budget from January. Prepare a cash budget for the 6 months from the following estimated revenue and expenses.

Months	Sales	Materials	Wages	Production o/h	S&D o/h
January	20,000	20,000	4,000	3,200	800
February	22,000	14,000	4,400	3,300	900
March	24,000	14,000	4,600	3,300	800
April	26,000	12,000	4,600	3,400	900
May	28,000	12,000	4,800	3,500	900
June	30,000	16,000	4,800	3,600	1,000

Cash balance on 1<sup>st</sup> January was Rs.10,000. A new machine is to be installed at Rs.30,000 on credit, to be repaid by two equal instalments in March and April. Sales commission at 5% on total sales is to be paid within the month following actual sales.

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Rs.10,000 being the amount of 2<sup>nd</sup> call may be received in March.

Share premium amounting to Rs.2,000 is also obtained with 2<sup>nd</sup> call.

Period of credit allowed by suppliers – 2 months

Period of credit allowed to customers – 1 month

Delay in payment of overheads – 1 month

Delay in payment of wages – ½ month

Assume cash sales to be 50% of the total sales.

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