

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. CA- END SEMESTER EXAMINATIONS - APRIL 2025
SEMESTER - VI

21UCCCT6016 - Management Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. Why is Management accounting important for a business?
2. Using the given Profit and Loss Account of S Ltd., for the years ended 31.12.2013 and 31.12.2014, prepare a Common Size Income Statement for both years.

Profit and Loss Account (₹in Lakhs)

Particulars	2013	2014	Particulars	2013	2014
To cost of goods sold	300	375	By Net Sales	400	500
To Operating Expenses:					
Administrative	10	10			
Selling	15	20			
To Net Profit	75	95			
	400	500		400	500

3. The following data relates to the assets of Amal Ltd. as of 31st December for the period 2014 to 2017. You are required to calculate the trend percentages using 2014 as the base year and interpret the results.

As on 31st December (Rupees in '000s)

Assets	2014	2015	2016	2017
Cash	100	120	80	140
Debtors	200	250	320	400
Stock in trade	300	400	350	500
Fixed Assets	2,200	2,500	2,900	3,500
Total Assets	2,800	3,270	3,650	4,540

4. The following information is provided from the Trading Account of JC Ltd. You are required to calculate the Stock Turnover Ratio and analyze its significance.

Particulars	₹	Particulars	₹
To Opening Stock	70,000	By Sales	4,00,000
To Purchases	2,20,000	By Closing Stock	50,000
To Wages	10,000		
To Carriage	15,000		
To Gross Profit	1,35,000		
	4,50,000		4,50,000

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5. The following information is provided for XYZ Ltd. You are required to calculate and analyze the following ratios: a) Gross profit, b) Operating Ratio, c) Operating profit, d) Net profit

	Rs.		Rs.
Sales	21,000	Income from investment	200
Sales returns	1,000	Administration expenses	1,300
Cost of sales	16,400	Selling expenses	700
Interest expenses	100	Depreciation	200

6. The following balance sheets of ABC Ltd., for the years 2006 and 2007 are provided. You are required to prepare the Statement of Changes in Working Capital and analyze the changes in working capital between the two years.

Liabilities	2006 ₹	2007 ₹	Assets	2006 ₹	2007 ₹
Share capital	2,00,000	2,10,000	Land	1,00,000	1,20,000
P&L A/c	28,000	49,000	Investments	28,000	48,000
Bank Loan	-	10,000	Stock	58,000	54,000
Creditors	39,000	30,000	Debtors	53,000	59,000
			Cash at Bank	28,000	18,000
	2,67,000	2,99,000		2,67,000	2,99,000

7. You are provided with the sales data for Product A and Product B for the first six months of the year. Based on the given sales figures, you are required to prepare the production budget for the first six months, considering that there is no work in progress and half of the following month's sales will be kept in stock for the current month.

Sales	Product A (Units)	Product B (Units)
January	28	10
February	28	12
March	24	16
April	20	20
May	16	24
June	16	24
July	18	20

8. The manufacturing company has provided the following sales data for Product X in the first quarter of 2003:

Month	Sales (Units)
January	2,50,000
February	2,40,000
March	2,60,000

- Selling price per unit for 2003: ₹100
- For the first quarter of 2004, the company has set the following targets:
- Sales quantity increase: 20%
- Sales price increase: 10%

You are required to prepare a Sales Budget for the first quarter of 2004 using the information provided.

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Section C

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

9. Explain the differences between Management Accounting and Financial Accounting. How do both types of accounting serve different purposes in a company?
10. The Balance Sheets of X & Co. and Y & Co. as on 31st December, 2014 are provided below:

Liabilities	X & Co. (₹)	Y & Co. (₹)	Assets	X & Co. (₹)	Y & Co. (₹)
Pref. Share capital	1,20,000	1,60,000	Land & Building	80,000	1,23,000
Equity share capital	1,50,000	4,00,000	Plant & Machinery	3,34,000	6,00,000
Reserves	14,000	18,000	Short-term investment	1,000	40,000
Long term loans	1,15,000	1,30,000	Stock	10,000	25,000
Bills payable	2,000	0	Debtors	4,000	8,000
Sundry creditors	12,000	4,000	Prepaid expenses	1,000	2,000
Outstanding expenses	15,000	6,000	Cash at bank	8,000	10,000
Proposed dividends	10,000	90,000			
Total	4,38,000	8,08,000	Total	4,38,000	8,08,000

Prepare a Common Size Balance Sheet for both X & Co. and Y & Co., and Compare the financial positions of the two companies based on their common size balance sheets.

11. The following ratios are related to the trading activities of National Traders Ltd., for the year ending 31st December 2013:
- Debtors velocity: 3 months
 - Stock velocity: 8 months
 - Creditors velocity: 2 months
 - Gross Profit ratio: 25%

Additionally, the following details are provided:

- i. Gross Profit for the year ended 31st December 2013 amounts to ₹4,00,000.
- ii. The closing stock of the year is ₹10,000 above the opening stock.
- iii. Bills Receivable amounts to ₹25,000.
- iv. Bills Payable amounts to ₹10,000.

Using the above information, calculate the following:

- a) Sales
- b) Sundry Debtors
- c) Closing Stock
- d) Sundry Creditors

12. From the following Profit & Loss Account, compute the Funds from operations:

Particulars	₹	Particulars	₹
To Salaries	13,000	By Gross Profit	2,00,000
To Rent	3,000	By Profit on Sale of machinery	5,000
To Provision for depreciation	14,000	By Refund of tax	5,000
To Transfer of Reserve	20,000		
To Provision for Tax	10,000		
To Loss on Sale of investments	5,000		
To Preliminary expenses	5,000		
To Selling expenses	20,000		
To Net Profit	1,20,000		
	2,10,000		2,10,000

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13. Prepare a Cash Budget for April, May, and June 2010 with detailed calculations. On 1st April 2010, the opening cash balance was ₹50,000.

Month	Purchases	Sales	Expenses
February	40,000	80,000	7,200
March	45,000	85,000	7,500
April	38,000	78,000	8,000
May	42,000	84,000	9,000
June	50,000	95,000	10,500

Additional Information:

- i. Purchases are made on 2 months credit (i.e., payments for purchases made in March will be settled in May).
- ii. Debtors are given 1 month credit (i.e., collections from sales made in March will be received in April).
- iii. 20% of sales are cash sales, while 80% are on credit.
- iv. Expenses are paid in the following month (i.e., expenses for April will be paid in May).
