

Roll.No.

24UCOCT5013 (SFS)

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. - END SEMESTER EXAMINATIONS - NOVEMBER 2025  
SEMESTER - V

**24UCOCT5013 - Management Accounting**

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

**Section B**

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

1. Explain the scope of Management Accounting.
2. Aruna bros. furnish the following details for the year 2007:

Sales	2,00,000
Cost of production	80,000
Opening stock of finished goods	50,000
Closing stock of finished goods	31,000
Sales returns	20,000

Calculate gross profit ratio.

3. From the following particulars, prepare a production budget of sales corporation for the year ended on 31.03.2018

Product	Sales(units) (as per sales budget )	Estimated stocks (units)	
		1/1/2018	31/3/2018
A	1,50,000	14,000	15,000
B	1,00,000	5,000	4,500
C	70,000	8,000	8,000

4. Standard set for material consumption was 100 kg @ ₹2.25 per kg.  
In a cost period: Opening stock was 100 kg. @ ₹2.25 per kg.  
Purchase made 500 kg. @ ₹2.25 per kg.  
Consumption 110 kg.

Calculate:

- (a) Usage Variance;
- (b) Prince Variance;
  - (i) when variance is calculated at the point of purchase;
  - (ii) when variance is calculated at the point of FIFO basis;
  - (iii) when variance is calculated at the point of LIFO basis;
- (c) What is the effect on closing stock valuation when materials are changed out to cost on basis (ii) and (iii) above?

**Contd...**

5. Compute cash from operating activities from the following figures: profit for the year 1996 is a sum of Rs.10,000 after providing for depreciation of Rs.2,000.

	1995	1996
Sundry debtors	10,000	11,000
Provision for doubtful debts	1,000	1,200
Bills receivable	4,000	3,000
Bills payable	5,000	6,000
Sundry creditors	8,000	9,000
Inventories	5,000	8,000
Trade investments	10,000	12,000

6. From the following information relating to Swiss limited you are required to find out
- Profit Volume Ratio
  - Break Even Point
  - Profit
  - Margin of safety
- Total fixed costs Rs.4,500  
 Total variable costs Rs.7,500  
 Total sales Rs.15,000.
7. What is financial statement analysis? Explain the tools of financial statement analysis.
8. From the following particulars calculate current assets and current liabilities.  
 Current ratio – 2.8 Working Capital – 1,62,000

### Section C

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

9. Differentiate between management accounting and financial accounting.
10. Calculate the labour variances from the following information:
- Standard Wages :
- Grades X : 90 Labourers at ₹2 per hour.
  - Grades Y : 60 Labourers at ₹3 per hour.
- Actual Wages :
- Grades X : 80 Labourers at ₹2.50 per hour.
  - Grades Y : 70 Labourers at ₹2 per hour.
- Budgeted Hours 1,000; Actual Hours 900  
 Budgeted Gross. Production 5,000 Units; Standard Loss 20%; Actual Loss 900 Units.

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**SEMESTER - V**  
**24UCOCT5013 - Management Accounting**

11. From the following particulars, prepare a Balance Sheet: Working Capital Rs.75,000 Reserve and Surplus Rs.1,00,000 Bank Overdraft Rs.60,000 Current Ratio 1 : 75 Quick Ratio 1 : 15 Fixed assets to Proprietor's fund 0.75 There is no long term liabilities.
12. Prepare a cash flow statement of Madras Ltd., for the year ending 2016 and 2017.

Liabilities	2016 (Rs.)	2017 (Rs.)	Assets	2016 (Rs.)	2017 (Rs.)
Share Capital	20,000	20,000	Goodwill	2,400	2,400
General Reserve	2,800	3,600	Land	8,000	7,200
Profit and Loss A/c	3,200	2,600	Building	7,400	7,200
Creditors	1,600	1,080	Investments	2,000	2,200
Outstanding expenses	240	160	Stock	6,000	4,680
Provision for taxation	3,200	3,600	Bills Receivable	4,000	4,440
Provision for bad debts	80	120	Bank balance	1,320	3,040
	31,120	31,160		31,120	31,160

Additional Information: (a) A piece of land has been sold for Rs.800.

(b) Depreciation on building Rs.1,400. (c) Provision for taxation has been made for Rs.3,800 during the year.

13. A company manufactures a component that is used in one of its products. The cost per unit of the component is as follows:

Particulars	Cost per Unit (Rs.)
Direct Materials	30
Direct Labour	20
Variable Overheads	10
Fixed Overheads (absorbed)	15
Total Cost per Unit	75

An outside supplier has offered to supply the same component for ₹60 per unit. If the component is purchased from the outside supplier, 40% of the fixed over-heads would be avoided.

Required:

- (a) Should the company make or buy the component?  
(b) Give your recommendation with suitable calculations.

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