

Roll.No.

21UBCCT6017

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 - NOVEMBER 2025
SEMESTER - VI

21UBCCT6017 - Management Accounting

Total Duration : 2 Hrs.30 Mins.

Total Marks : 60

Section B

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

1. Distinguish between Management Accounting and Cost Accounting.
2. From the following information show the results of operations of a manufacturing concern using trend percentages with 2017 as base.

Particulars	(Amount in '000's)			
	2020	2019	2018	2017
Sales	1,300	1,200	950	1,000
(-) cost of goods sold	728	696	589	600
Gross profit	572	504	361	400
(-) selling expenses	120	110	97	100
Net Operating profit	452	394	264	300

3. From the following data, compute labour variances for the two departments.

Particulars	Department A	Department B
Actual direct wages	Rs.80,000	Rs.72,000
Standard hours produced	10,000	8,000
Standard rate per hour	Rs.8	Rs.10
Actual hours worked	12,000	7,000

4. Given: Current Ratio – 2.8; Acid test ratio – 1.5, Working capital – Rs.1,62,000. Calculate a) Current Assets, b) Current liabilities and c) Stock.
5. The ratios relating to a company are given below:
Gross profit – 15% of Sales; Stock velocity – 6 months; Debtors velocity – 3 months; Creditors velocity – 3 months.
Gross profit for the year ending amounts to Rs.60,000. Closing stock is equal to opening stock. Compute (a) Sales. (b) Closing stock, (c) Sundry debtors and (d) Sundry creditors.

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6. Prepare a statement showing cash from business operations from the following Profit and Loss A/c.

Particulars	Rs.	Particulars	Rs.
To Expenses Paid	3,00,000	By Gross Profit	4,50,000
To Depreciation	70,000	By Profit on sale of land	50,000
To Loss on sale of medicine	4,000	By Dividend	4,000
To Discount	200	By Interest on investment	6,000
To Goodwill	20,000		
To Net profit	1,15,800		
	5,10,000		5,10,000

7. A TV manufacturer finds that while it costs him Rs.625 each to make a component, the same is available in the market at Rs.575 each, with an assurance of continuous supply.

The break-down of cost of manufacture is as follows:

	Rs.
Material	275
Labour	175
Other variable costs	50
Fixed costs	125
Total cost	625

- (a) Should he make or buy the component?
- (b) What would be your decision if the supplier offers the component at Rs.485 each? Show your comments.
8. Prepare a flexible budget for production at 75% 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)	1,000 units

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Section C

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

9. From the following Balance Sheet of S Ltd., you are required to prepare Comparative Balance Sheet.

Balance Sheet as on 31st December

Liabilities	1999	2000	Assets	1999	2000
Equity share capital	400	400	Land and buildings	400	370
6% Preference share capital	300	300	Plant and machinery	400	410
8% Debentures	100	150	Stock	200	300
Retained earnings	200	245	Debtors	200	300
Creditors	250	350	Cash	100	140
Bills payable	50	75			
	1,300	1,520		1,300	1,520

10. Assess the managerial uses of Variance analysis.
11. Ascertain the needed details to prepare Balance Sheet from the following information:
- Gross profit ratio – 20%
 - Debtors' turnover – 6 times
 - Fixed assets to net worth – 0.80
 - Reserves to capital – 0.50
 - Current ratio – 2.5
 - Liquid ratio – 1.5
 - Net working capital – Rs.3,00,000
 - Stock turnover ratio – 6 times.
12. The following are the Balance Sheet of SVP Co. Ltd. as on 31.12.2005 and 31.12.2006

Liabilities	2005	2006	Assets	2005	2006
Share capital	1,00,000	1,25,000	Building	1,00,000	95,000
General reserve	25,000	30,000	Machinery	75,000	85,500
Profit and Loss A/c	15,250	15,300	Stock	50,000	37,000
Bank loan	35,000	-	Debtors	40,000	31,100
Creditors	75,000	67,600	Cash	250	300
Provision for tax	15,000	17,500	Bank	-	4,000
			Investment	-	2,500
	2,65,250	2,55,400		2,65,250	2,55,400

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Additional information:

- i. Dividend of Rs.11,000 was paid.
- ii. Machinery was purchased for Rs.15,000.
- iii. Income tax paid during the year Rs.16,500.

Prepare cash flow statement as per AS 3.

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

Year	Sales (Rs.)	Profit (Rs.)
2017	1,40,000	15,000
2018	1,60,000	20,000

Compute: (a) P/V Ratio; (b) BEP; (c) Sales required to earn a profit of Rs.40,000; (d) Fixed expenses and (e) Profit when sales are Rs.1,20,000.
