

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 ($6 \times 5 = 30$ Marks)

1. State the relationship between Management Accounting and Cost Accounting.
2. Describe the direct method of computing cash from operating activities.
3. A factory is currently working to 50% capacity and produces 10,000 units. Estimate the profits of the company when it works at 60% and 80% capacity and offer your critical comments.
At 60% working raw materials cost increases by 2%. At the 80% working, raw material cost increases by 5% and selling price falls by 5%.
At 50% capacity Working the product costs Rs.180 per unit and is sold at Rs.200 per unit.
The unit cost of Rs.180 is made up as follows:

	Rs.
Material	100
Labour	30
Factory Overhead	30(40% fixed)
Administrative Overhead	20(50% fixed)

4. Explain the concept of Marginal of Safety and the Cost-Volume-Profit Analysis.
5. Classify the different types of ratios.
6. Harish Ltd., had the following figures on 1st January, 2022:

	Rs.
Fixed Assets	3,00,000
Less: Depreciation	1,05,000
Bank balance	1,95,000
Other Current Assets	17,500
Capital (Share of Rs.10 each)	1,25,000
Current Liabilities	1,50,000
	50,000

The company made the following estimates for the year 2022:

- a) the profit would be Rs.27,500 after depreciation of Rs.30,000
- b) the company will pay dividend of Rs.20,000 for the year 2022.
- c) the company will acquire fixed asset costing Rs.50,000 after selling 1 machine for Rs.10,000 costing Rs.25,000 and on which depreciation provided amount to Rs.17,500
- d) the current asset and current liabilities other than bank balance at the end of 2022 are expected to be Rs.1,47,500 and Rs.1,15,000 respectively.

You are required to prepare a cash flow statement and ascertain the bank balance of Harish Ltd., as on 31st December 2024.

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7. Describe the essential steps of a Budgetary control system.
8. The following information relates to production and sale of an article for November and December 2024.

Particulars	November (Rs.)	December (Rs.)
Sales	55,000	80,000
Profit	Nil	5,000
Loss	2,000	Nil

Calculate:

- (i) Break-even Sales Volume.
- (ii) Profit or loss at Rs.60,000 sales.
- (iii) Sales to earn a profit of Rs.10,000.

Section C

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

9. Convert the following Balance sheets into common- size balance sheet and interpret the results.

Balance Sheets as on 31st December 2022 and 2023

Particulars	Rs.	Rs.
I. Equity and liabilities		
Shareholders fund:		
Equity share capital	1,000	1,200
Reserves and surplus:		
Capital reserves	90	185
General reserves	500	450
Sinking fund	90	100
Non current liabilities:		
10% debentures	450	650
Current liabilities		
Sundry creditors	200	150
Others	15	20
Total	2,345	2,755
II. Assets		
Non current assets		
Tangible: fixed assets:		
Building less depreciation	800	1,400
Land	198	345
Furniture and fixture	77	105
Current assets		
Debtors	450	390
Cash	200	15
Stock	320	250
Investments	300	250
Total	2,345	2,755

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10. Mr. Wise intends to supply goods on credit to X Ltd and Y Ltd. The relevant financial data relating to the companies for the year ended 30th June, 2023 are as follows:

	X.Ltd (Rs.)	Y.Ltd (Rs.)
Stock	4,00,000	50,000
Debtors	85,000	70,000
Cash	15,000	30,000
Trade Creditors	1,50,000	80,000
Bank overdraft	20,000	15,000
Creditors for expenses	30,000	5,000
Total Purchases	4,65,000	3,30,000
Cash Purchases	15,000	10,000
Terms of Payment	3 months	3 months

Calculate : (i) Current Ratio; (ii) Liquid Ratio; (iii) Average payment period

11. From the summary Cash amount of Sunny Ltd. Prepare cash flow statement for the year ended 31st march, 2024 in accordance with AS-3(Revised) using the direct method. The company does not have any cash equivalents.

Particulars	Rs.'000'	Particulars	Rs.'000'
Balance on 1.4.2024	100	Payment of suppliers	4,000
Issue of equity shares	600	Purchase of fixed assets	400
Receipts from customers	5,600	Overhead expenses	400
Sale of fixed assets	200	Wage and salaries	200
		Taxation	500
		Dividend	100
		Repayment of bank	600
		Loan Balance on 31.3.2024	300
Total	6,500	Total	6,500

12. Prepare a Production Budget for each month and a summarised Production Cost Budget for the six months period ending 31st December 2022 from the following data of product 'X'.

(i) The units to be sold for different months are as follows:

July, 2022	1,100
August	1,100
September	1,700
October	1,900
November	2,500
December	2,300
January, 2023	2,000

- (ii) There will be no work in progress at the end of any month.
 (iii) Finished units equal to half the sales for the next month will be in stock at the end of each month (including June 2023)

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(iv) Budgeted production and production cost for the year ending 31st December, 2023 are as follows:

Production(units)	22,000
Direct materials (per unit)	Rs.10
Direct Wages (per unit)	Rs.4

Total Factory Overheads apportioned to products Rs.88,000.

13. From the following data, you are required to calculate break even point and net sales value at this point.

	Rs.
Direct material cost per unit.	10
Direct labour cost per unit	5
Fixed overhead	50,000
Variable overheads @60% on direct labour	
Selling price per unit	25
Trade discount	4%

If sales are 10% and 25% above the break even volume, determine the net profits.
