

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 - NOVEMBER 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)

- Describe the scope of management accounting.
- A trader purchases goods both on cash as well as on credit terms. The following particulars are obtained from the books.
 

Total Purchases (gross)	– Rs.2,00,000
Cash purchases	- Rs.20,000
Purchase returns	– Rs.34,000
Creditors at the end	– Rs.70,000
Bills payable at the end	– Rs.40,000

 You are required to:
  - Prepare creditors turnover ratio
  - Prepare average payment period.
- Outline the uses of fund flow statement.
- An automobile manufacturing company finds the cost of making Part No.208 in its own workshop is Rs.6. The same part is available in the market at Rs.5.60 with an assurance of continuous supply. The cost data to make the part are:
 

Material	– Rs.2
Direct labour	– Rs.2.50
Other variable costs	– Rs.0.50
Fixed cost allocated	– Rs.1
Total	– Rs.6.

  - Choose if the part be made or bought?
  - Will your answer be different if the market price is Rs.4.60?
 Show your calculations clearly.
- The following are the extracts from the income statements of Bright Ltd., for the 6 years ending 2019. You are required to rewrite and calculate trend percentages, taking 2014 as the base year and give two major conclusions you can draw.

Particulars	2014	2015	2016	2017	2018	2019
Sales	300	340	420	480	520	600
Cost of goods sold	180	204	256	287	300	330
Office expense	40	42	45	50	55	60
Selling expense	20	25	30	40	50	60
Net profit/ loss	60	69	89	103	115	150

**Contd...**

6. You are given the following information:

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

Analyse a) Current ratio b) Liquidity ratio c) Absolute liquidity ratio.

7. The following are the summarised balance sheet of malar industries Ltd., as on 31<sup>st</sup> Dec 2017 & 2018.

#### Balance Sheet

Liabilities	2017 (Rs.)	2018 (Rs.)	Assets	2017 (Rs.)	2018 (Rs.)
Capital:					
7% redeemable preference shares	-	10,000	Fixed asset	41,000	40,000
Equity shares	40,000	40,000	Less Depreciation	11,000	15,000
General reserve	2,000	2,000		<b>30,000</b>	<b>25,000</b>
Profit & loss A/c	1,000	1,200	Current assets:		
Debentures	6,000	7,000	Debtors	20,000	24,000
Current Liabilities:			Stock	30,000	35,000
Creditors	12,000	11,000	Prepaid expenses	300	500
Provision for tax	3,000	4,200	Cash	1,200	3,500
Proposed dividend	5,000	5,800			
Bank Overdraft	12,500	6,800			
	<b>81,500</b>	<b>88,000</b>		<b>81,500</b>	<b>88,000</b>

Prepare:

- Statement showing change in the working capital
  - A statement of source and application of funds.
8. K products produces and sells a product for which total capacity of 2,000 units exists. The following expenses are for the production of 1,000 units of the product which is sold at Rs.130 per unit.

Particulars	Per Unit Rs.
Direct materials	20
Direct Wages	30
Administration overheads ( constant)	20
selling expenses (50% fixed)	10
Distribution expenses (25% fixed)	20
	<b>100</b>

You are required to prepare a flexible budget for the production and sale of 1,200 units and 1,600 units and 2,000 units, showing clearly the marginal (variable) cost and total cost at each level.

#### Section C

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

9. Distinguish between financial accounting and management accounting. Construct few limitations of management accounting.

**Contd...**

10. Dhandapani & co furnishes the following balance sheets for the years 2018 and 2019. Outline common size balance sheets.

**BALANCE SHEETS**

<b>Liabilities</b>	<b>2018 Rs.</b>	<b>2019 Rs.</b>	<b>Assets</b>	<b>2018 Rs.</b>	<b>2019 Rs.</b>
Share capital	2,00,000	3,00,000	Buildings	4,00,000	4,00,000
Reserves	6,00,000	7,00,000	Machinery	6,00,000	10,00,000
10% Debentures	2,00,000	3,00,000	Stock	2,00,000	3,00,000
Creditors	3,00,000	5,00,000	Debtors	2,00,000	2,50,000
Bills payable	1,00,000	80,000	Cash at bank	1,00,000	50,000
Tax payable	1,00,000	1,20,000			
	15,00,000	20,00,000		15,00,000	20,00,000

11. Profit and loss account of X Ltd., is given below:

**Profit & Loss account**

<b>Particulars</b>	<b>Rs</b>	<b>Particulars</b>	<b>Rs</b>
To Opening stock	2,00,000	By sales	16,00,000
To Purchases	12,00,000	By Closing stock	3,20,000
To Administration expenses	1,20,000	By Dividend	4,000
To Selling expenses	80,000		
To Financial expenses	40,000		
To Loss on sale of assets	5,000		
To Net profit	2,79,000		
	19,24,000		19,24,000

Evaluate the profitability ratios.

12. The following is the summarised income statement of ABC Ltd., for the year ended 31-3-2016

<b>Particulars</b>	<b>Rs</b>
Sales (including cash sales Rs.20,000)	1,60,000
Less: Operating expenses excluding depreciation	1,00,000
	60,000
Less: Depreciation	20,000
	40,000
Add: extraordinary income - gain on speculation	10,000
	50,000
Less: Provision for Tax at 40%	20,000
Net profit after tax	30,000

The following additional data is also available for 2015 – 2016:

- Operating expenses include loss on sale of furniture Rs.4,000
- Tax paid during the year for 2014 – 15 Rs.18,000
- Current assets and liabilities at the end of 2014 – 15 and 2015 – 16 were as under:

<b>Particulars</b>	<b>31-3-2016 Rs</b>	<b>31-3-2015 Rs</b>
Debtors	16,000	12,000
Stock	13,000	14,000
Creditors	18,000	17,000

**Contd...**

You are required to point out net cash flow from operating activities by:

- a. Direct method
- b. Indirect method

13. A newly started Pushpak & co wishes to prepare cash budget from Jan. Prepare a cash budget for the 6 months from the following estimate revenue and expenses:

Months	Total Sales	Materials	Wages	Production overhead	Selling and distribution overhead
Jan	20,000	20,000	4,000	3,200	800
Feb	22,000	14,000	4,400	3,300	900
Mar	24,000	14,000	4,600	3,300	800
Apr	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 as on 1<sup>st</sup> Jan 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.

Rs.10,000 being the amount of 2nd call may be received in March. Share premium amounting to Rs.2,000 is also obtained with 2nd 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.

\*\*\*\*\*