



QP CODE: 22100973



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Reg No : .....

Name : .....

**B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS,  
APRIL 2022**

**Sixth Semester**

**CORE - CO6CRT20 - MANAGEMENT ACCOUNTING**

(Common to all B.Com Degree Programmes)

2017 Admission Onwards

73151BFE

Time: 3 Hours

Max. Marks : 80

**Instructions to Private candidates only:** This question paper contains **two sections**. Answer **SECTION I** questions in the answer-book provided. **SECTION II**, Internal examination questions must be answered in the question paper itself. Follow the detailed instructions given under **SECTION II**

**SECTION I**

**Part A**

Answer any **ten** questions.

Each question carries **2** marks.

1. How does lack of expert knowledge becomes a limitation of a Management Accountant ?
2. What is Budgetary Control ?
3. Write a short note on Financial Statements.
4. Calculate trend percentages from the following taking 2015 as base year. Also interpret the results.

Year	2015	2016	2017	2018	2019
Gross Profit (Rs.)	25,000	32,000	35,000	43,000	50,000

5. Define Ratio Analysis.
6. Compute Current Ratio. Given: Total Assets Rs. 4,00,000; Fixed Assets Rs. 25,00,000; Non- Current liabilities Rs. 4,00,000; Non- Current Investment Rs. 5,00,000; Shareholders' Fund Rs. 28,00,000.
7. What is Stock Turnover Ratio?
8. What is Dividend Per Share?
9. Prepare a proforma of Schedule of Changes in Working Capital.



10. Compute Funds from Operations: Profit after tax: Rs. 83,000, Provision for Tax: Rs. 25,000, Income tax paid: Rs 35,900, Depreciation Rs.15, 500, Goodwill written off: Rs. 5000.
11. Give two examples of cash inflows from Financing Activities
12. GSC Ltd. purchased a building for Rs.25,00,000 and paid the consideration by the issue of Equity Shares. Ajas, the accountant, has prepared the cash flow statement and has shown the transaction as follows;  
Investing Activities: Purchase of Building Rs.25,00,000  
Financing Activities: Issue of Equity Shares Rs.25,00,000  
Do you think that it is in accordance with per AS – 3?

(10×2=20)

**Part B**

Answer any **six** questions.

Each question carries **5** marks.

13. Explain the role and functions of Management Accounting.
14. Explain the objectives of Financial Statement Analysis.
15. Prepare a Common Size Balance Sheet with imaginary figures.
16. Distinguish between solvency and liquidity
17. The Balance Sheet of Alakapuri Ltd. as on 31.03.2019 is given below:

**Balance Sheet**

Particulars	Note No.	Amount
<b>I. EQUITY &amp; LIABILITIES</b>		
<b>(1) Shareholder's Fund</b>		
(a) Share capital		3,00,000
(b) Reserves & Surplus ( P & L a/c)		40,000
<b>(2) Non-Current Liabilities</b>		
Long term borrowings (8% debentures)	1	1,00,000
<b>(3) Current Liabilities</b>		
		90,000
<b>Total</b>		<b>5,30,000</b>
<b>II. ASSETS</b>		
<b>(1) Non- Current Assets:</b>		
Fixed Assets		3,60,000
<b>(2) Current assets:</b>		
(a) Inventories ( Stock)		50,000
(b) Trade Receivables ( Debtors)		1,16,000
© Cash & Cash Equivalents ( Bank Balance)		4,000
<b>Total</b>		<b>5,30,000</b>

**Notes to Account**

Particulars	Amount
<b>1. Share Capital:</b>	
Equity share capital	2,00,000
4% Preference share capital	1,00,000
<b>Total</b>	<b>3,00,000</b>

Calculate:

- (1) Debt Equity ratio  
(2) Proprietary ratio  
(3) Fixed Assets to Net worth Ratio  
(4) Capital Gearing Ratio

18. What are the objectives of Funds Flow Statement?
19. "Funds Flow Statement presents a decision view of business" Comment.
20. From the following income statement calculate Cash Flow from Operating Activities by direct method.

Particulars	Rs	Particulars	Rs
To Materials Purchased	50,000	By Sales (Cash)	1,05,000
To Wages Paid	16,000	By Commission Received	7,000
To Wages Outstanding	2,000	By Commission Due	8,000
To Salaries	15,000		
To Salaries Outstanding	5,000		
To Loss on Sale of Plant	3,000		
To Net Profit	29,000		
	<b>1,20,000</b>		<b>1,20,000</b>

21. From the following information, calculate Cash Flow from Financing Activities:

Particulars	31 <sup>st</sup> March 2020 (Rs.)	31 <sup>st</sup> March 2019 (Rs.)
Equity Share Capital	5,00,000	4,00,000
10% Debentures	1,00,000	1,50,000
Securities Premium Reserve	50,000	40,000
Bank Overdraft	2,00,000	1,50,000
Interest on Bank Overdraft	15,000	10,000

Additional Information : Interest Paid on Debentures Rs.10,000.

(6×5=30)

**Part C**

Answer any **two** questions.  
Each question carries **15** marks.

22. Prepare a comparative income statement from the following details of XY Ltd as on 31<sup>st</sup> March 2018 and 31<sup>st</sup> March 2019.

Particulars	31-03-2018	31-03-2019
Sales	20,00,000	16,00,000
Purchases	4,00,000	2,00,000
Opening Stock	6,00,000	3,00,000
Closing Stock	12,00,000	10,00,000
Salaries	8,00,000	9,00,000
Rent and rates	40,00,000	32,00,000
Selling Expenses	10,00,000	8,00,000
Interest Paid	10,000	1,50,000
Tax Paid	70,000	1,10,000
Interest received	52,500	65,000
Administrative Expenses	75,000	76,500

23. You are required to prepare a Balance Sheet from the following data:
- Current ratio 1.4
  - Liquid ratio 1.0
  - Stock turnover ratio 8( based on closing stock)
  - Gross profit ratio 20%
  - Debt collection period 1.5 months
  - Reserves & surplus to capital 0.6
  - Fixed assets turnover ratio 1.6
  - Capital gearing ratio 0.5
  - Fixed assets to net worth 1.25
  - Sales for the year Rs.10,00,000

24. From the following balance sheets of Z Ltd as on 31/03/2018 and 2019 given below, you are required to prepare Funds Flow Statement.

	31-03-2018	31-03-2019
<b>I. Equity and Liabilities:</b>		
1. Share Holder's Fund		
a) Share Capital	2,40,000	3,60,000
b) Share Premium	24,000	36,000
c) General reserve	18,000	27,000
d) Profit and Loss Account	58,500	62,400
2. Non-Current Liabilities		
a) 8 % Debentures		78,000

b) Long Term Provisions		
Provision for Taxation	29,400	32,700
3. Current Liabilities		
Trade Creditors	1,00,500	1,09,200
<b>Total Liabilities</b>	<b>4,70,400</b>	<b>7,05,300</b>
<b>II. Assets:</b>		
1. Non-Current Assets		
a) Fixed: Tangible Assets		
i) Land and Building	1,66,200	3,39,600
ii) Machinery	1,06,800	1,53,900
iii) Furniture	7,200	4,500
2. Current Assets		
i) Stock	66,300	78,000
ii) Debtors	1,09,500	1,17,300
iii) Cash	14,400	12,000
<b>Total Assets</b>	<b>4,70,400</b>	<b>7,05,300</b>

Depreciation written off during the year:

On machinery: Rs. 38,400

On Furniture: Rs. 1,200

25. The JG Ltd. has furnished the following Trading and Profit and Loss Account and also the balances of Assets and Liabilities.

Income Statement for the year ended 31st March, 2019

Particulars	Note No.	Rs.
I. Revenue From Operations		1,00,000
II. Other Income	1	3,000
<b>III. Total Revenue (I + II)</b>		<b>1,03,000</b>
IV. Expenses		
a. Cost Of Materials Consumed		.....
b. Purchase of Stock In trade		65,000
c. Change in Inventories	2	5,000
d. Employee Benefit Expenses (Salaries)		10,000
e. Finance Cost (Interest on loan)		3,000
f. Depreciation and Amortization Expenses		5,000
		2,000

g. Other Expense (Loss On sale of Fixed Assets)	90,000
h. Total Expenses	13,000
V. Profit Before Tax (III – IV)	6,000
VI. Tax	7,000
VII. Profit After Tax (V – VI)	

Notes to Accounts :

Particulars	Amount (Rs.)
1. Other income	
a. Income from investment	2,000
b. Profit in sale of investment	1,000
2. Change in Inventories	
a. Opening Stock	15,000
b. Closing Stock	10,000

Assets and Liabilities:

Particulars	1.4.2018 (Rs.)	31.3.2019 (Rs.)
Stock	15,000	10,000
Debtors	10,000	15,000
Creditors	8,000	10,000
Outstanding Salaries	3,000	2,000
Fixed Assets	20,000	25,000

Present the cash flows from the operating activities as they appear in the cash flow statement under: I) Direct Method II) Indirect Method.

(2×15=30)