24000840

QP CODE: 24000840

Reg No : .....

Name : .....

B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE EXAMINATIONS, MARCH 2024

Sixth Semester

CORE - CO6CRT20 - MANAGEMENT ACCOUNTING

(Common to all B.Com Degree Programmes)

2017 Admission Onwards

2C9CC2BF

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***

Part A

*Answer any **ten** questions*

*Each question carries **2** marks.*

1. What is meant by Window Dressing ?
2. What is Performance Budgeting ?
3. Write a short note on Financial Statement Analysis.
4. List the objectives of Trend Analysis.
5. List four uses of Ratio Analysis.
6. Write a note on Secondary ratios.
7. What is Current ratio and state an ideal current ratio?
8. Compute Interest Coverage Ratio. Given; Net Profit after Interest and Tax Rs. 9,00,000; Tax rate 40%; Long Term Debt of the company 20,00,000 (Average interest rate 8%).
9. Write a short note on the concept of 'Flow of Fund'.
10. Compute Funds from Operations: Profit after tax: Rs. 53,000, Provision for Tax: Rs. 15,000, Income tax paid: Rs 15,900, Depreciation Rs.5, 500.
11. What is meant by Cash Flow from Financing Activity ?

12. A Company had the following balances:

PARTICULARS	(Rs.)
Investments in the beginning	34,000
Investments at the end	28,000

During the year the company sold 40% of its investment held in the beginning of the year at a profit of Rs. 8,400. Calculate Cash Flow from investing activity.

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*

13. Management Accounting has been evolved to meet the needs of the management'. Explain the statement.

14. Explain the uses of Financial Statements.

15. Prepare a Comparative Statement of Profit and Loss from the following information.

Particulars	31-03-2018	31-03-2019
Net Sales	15,00,000	18,00,000
Cost of Goods Sold	9,00,000	10,00,000
Administrative expenses	1,20,000	1,50,000
Selling Expenses	1,80,000	1,90,000
Interest on Loan	50,000	60,000
Income Tax	1,25,000	1,45,000

16. Calculate the Trade Payable Turnover Ratio and Average Payment Period.

Credit purchases during 2018	1,05,000
Purchases returns	5,000
Creditors on 1.1.2018	20,000
Creditors on 31.12.2018	10,000
Bills payable on 1.1.2018	4,000
Bills payable on 31.12.2018	6,000

17. From the following information, compute:
    (a) Gross Profit Ratio
    (b) Net Profit Ratio
    (c) Operating Ratio

(d) Operating Profit Ratio

Income Statement

Particulars	Note No.	Current Year Amount
I. Revenue from Operations		12,00,000
II. Other income		-
III. Total Revenue (I+ II)		12,00,000
IV. Expenses:		
Cost of materials consumed		-
Purchase of Stock in trade		7,00,000
Changes in inventories of finished goods, Work in progress & stock in trade		(40,000)
Employee Benefits expenses(Wages)		80,000
Finance Costs (Interest)		10,000
Depreciation & amortization expenses	1	-
Other expenses(Administration & selling expenses)		40,000
Total Expenses		7,90,000
V. Profit before Tax (III-IV)		4,10,000
VI. Tax		1,10,000
VII. Profit after Tax (V-VI)		3,00,000

Notes to Account

Particulars	Amount
1. Change in Inventories	
Opening Stock	1,20,000
Closing Stock	(1,60,000)
	(40,000)

18. The Balance Sheets of Texas Ltd as on 31/03/2018 and 31/03/2019 is given below;

	31-12-2018	31-12-2019
I. Equity and Liabilities:		
1. Share Holder's Fund		
a) Share Capital	5,00,000	6,50,000
b) General reserve	74,000	78,000
c) Profit and Loss Account	86,000	94,000
2. Current Liabilities		
a) Trade Creditors	1,87,000	1,90,000
b) Outstanding Expenses	13,000	16,500
c) Provision for Taxation	50,000	75,000
d) Proposed Dividend	50,000	65,000
Total Liabilities	**9,60,000**	**11,68,500**

II. Assets:		
1. Non-Current Assets		
a) Fixed: Tangible Assets		
i)Land and Building	4,75,000	4,17,500
ii) Machinery	2,20,000	3,98,000
iii) Furniture	8,500	7,650
2. Current Assets		
i) Stock	1,33,100	1,86,500
ii) Debtors	1,08,500	1,15,300
iii) Bills Receivable		29,550
iv) Cash	14,900	14,000
Total Assets	**10,60,000**	**11,68,500**

Prepare a schedule of changes in working capital. Your assumptions will form part of the answer.

19. "Funds Flow Statement presents a decision view of business" Comment.

20. Calculate Cash from Operations from the following:

I. Profit made during the year Rs.3,00,000 after considering the following items:

a. Depreciation – Rs.10,000
b. Amortisation of Goodwill – Rs.6,000
c. Transfer to General Reserve – Rs.8,000
d. Profit on sale of land – Rs.3,000

II. Following is the position of the current assets and current liabilities :

PARTICULARS	31st March 2019 (Rs.)	31st March 2020 (Rs.)
Debtors	15,000	12,000
Creditors	10,000	15,000
Bills Receivable	8,000	10,000
Prepaid Expenses	2,000	8,000

21. XYZ Ltd. provides the following information. Calculate Cash Flow from Financing Activities:

PARTICULARS	31st March 2020 (Rs)	31st March 2019 (Rs)
Equity Share Capital	15,00,000	10,00,000
10% Debentures	....	1,00,000
8% Debentures	2,00,000	...

Additional Information :

1. Interest paid on Debentures Rs.10,000.
2. Dividend paid Rs.50,000.

3. During the year 2019-20, XYZ Ltd. issued bonus shares in the ratio 2:1 by capitalising reserve.

(6×5=30)

Part C

*Answer any **two** questions.*

*Each question carries **15** marks.*

22. Prepare common size statement of profit and loss of AB Ltd from the following:

Particulars	2018 (Rs '000)	2019 (Rs '000)
Sales	500	700
Miscellaneous income	20	15
Purchases	325	510
Opening Stock	15	10
Closing Stock	10	8
Office Expenses	20	25
Selling Expenses	30	45
Interest Paid	25	30

23. From the following particulars, draw up the Balance Sheet of the company:

Current Ratio	2.5
Quick Ratio	1.5
Net Working Capital	Rs. 30,000
Stock Turnover Ratio (cost of sales/ Closing stock)	6 times
Gross Profit Ratio	20%
Fixed Assets Turnover Ratio (Cost of Sales)	2 Times
Debtors Turnover Ratio	2 Times
Fixed Assets to Shareholders Net worth	0.8
Reserves b& Surplus to Capital	0.5
Long-ferm Loans	Rs. 15,000

24. Prepare Funds Flow Statement from the following.

	31-03-2018	31-03-2019
I. Equity and Liabilities:		
1. Share Holder's Fund		
a) Share Capital	6,00,000	8,00,000
b) Profit and Loss Account	1,25,000	2,50,000

2. Non-Current Liabilities		
a) Debentures	2,00,000	3,00,000
b)Provision for Depreciation		
i) Land and Building	20,000	24,000
ii) Plant and Machinery	30,000	35,000
3. Current Liabilities		
a) Provision for bad and doubtful debts	6,000	3,000
b) Trade Creditors	1,15,000	90,000
Total	**10,96,000**	**15,02,000**
II. Assets:		
1. Non-Current Assets		
a) Fixed: Tangible Assets		
i) Plant and Machinery	4,00,000	6,45,000
ii) Land and Building	3,00,000	4,00,000
b) Intangible Assets		
i) Preliminary Expenses	7,000	6,000
2. Current Assets		
i) Stock	3,00,000	3,50,000
ii) Debtors	69,000	61,000
iii) Bank	20,000	40,000
Total	**10,96,000**	**15,02,000**

Dividends of Rs. 60,000 were paid during the year.

25. Following are the summarized Balance Sheet of Philips India as at 31st March 2019 and 31st March 2018:

Particulars	Note No.	31st March 2019 (*Rs*)	31st March 2018(*Rs*)
I. EQUITY AND LIABILITIES			
1. Shareholder's Funds			
(a) Share Capital		13,50,000	13,50,000
(b) Reserves and Surplus	1	11,34,000	10,68,000
2. Non - Current Liabilities			
Long Term Borrowings : 10% Mortgage Loan		8,10,000	....
3. Current Liabilities			
(a)Trade Payables (Creditors)		4,02,000	5,04,000

(b) Provision for tax		30,000	2,25,000
TOTAL		**37,26,000**	**31,47,000**
II. ASSETS			
1. Non- Current Assets			
(a) Fixed Assets		9,60,000	12,00,000
(b) Non- Current Investments		1,80,000	1,50,000
2. Current Assets			
(a) Current Investments		21,000	17,000
(b) Inventories		6,30,000	7,20,000
(c) Trade Receivables		13,65,000	6,30,000
(d) Cash and Cash Equivalents : Bank		5,70,000	4,30,000
TOTAL		**37,26,000**	**31,47,000**

Notes to Accounts:

Particulars	31st March 2019 (*Rs*)	31st March 2018 (*Rs*)
1. Reserves and Surplus		
General Reserve	9,30,000	9,00,000
Surplus A/C	2,04,000	1,68,000
	11,34,000	**10,68,000**

Additional Information

1. Investments Costing *Rs.*24,000 were sold during the year *Rs.*25,500.
2. Provision for tax made during the year was *Rs.*27,000.
3. The interim dividend paid during the year amounted to *Rs.*1,20,000.
4. During the year, a part of the fixed Assets costing *Rs.*30,000 was sold for *Rs.*36,000. The profits were included in the statement of profit and loss.

(2×15=30)