20100483

QP CODE: 20100483

Reg No : .....

Name : .....

BCOM DEGREE (CBCS) EXAMINATION, MARCH 2020

Sixth Semester

Core course - CO6CRT20 - MANAGEMENT ACCOUNTING

B.Com Model I Finance & Taxation,B.Com Model I Co-operation,B.Com Model I Computer Applications,B.Com Model I Travel & Tourism,B.Com Model II Computer Applications,B.Com Model II Finance & Taxation,B.Com Model II Logistics Management,B.Com Model II Marketing,B.Com Model II Travel & Tourism,B.Com Model III Computer Applications ,B.Com Model III Office Management & Secretarial Practice,B.Com Model III Taxation,B.Com Model III Travel & Tourism

2017 Admission Onwards

46B43B39

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

Time: 3 Hours

Marks: 80

Part A

Answer any ten questions.

Each question carries 2 marks.

1. How is personal judgement a limitation of management accounting ?
2. What is Zero Base Budgeting technique ?
3. Write a short note on Financial Statement Analysis.
4. List the objectives of Comparative Balance Sheet.
5. Write a note on Ratio Analysis.
6. Write a note on Secondary ratios.
7. What is Interest Coverage Ratio?
8. Calculate Gross Profit Ratio from the following:

Opening Inventory	40,000	Carriage	60,000
Wages	1, 00,000	Revenue from Operations	8, 00,000
Purchases	3, 00,000	Closing Inventory	60,000

9. Write a short note on Funds Flow Analysis.

10. Compute Funds from Operations: Profit after tax: Rs. 2, 63,000, Provision for Tax: Rs. 1,15,000, Profit on sale of machinery: Rs. 25,000, Depreciation Rs.75, 500, Interest on investment: Rs.50,000.

11. What is meant by Cash Flow from Extraordinary item ? Give an example.

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. How does Management Accounting differ from Cost Accounting ?

14. Explain the uses of Financial Statements.

15. Prepare a Comparative Balance Sheet from the following information.

Particulars	31-03-2018	31-03-2019
Land and Buildings	25,00,000	35,00,000
Goodwill	7,00,000	10,00,000
Equity Share capital	32,00,000	33,00,000
Governemnt Bonds	6,00,000	6,00,000
General Reserve	7,00,000	2,00,000
Trade Receivables	6,40,000	7,90,000
Short Term Investments	5,00,000	2,00,000
9 % Debentures	11,50,000	16,00,000
Cash in hand	50,000	25,000
Inventories	6,00,000	3,50,000
Trade Payables	2,80,000	4,50,000
Preference Share Capital	1,40,000	7,00,000
Profit and Loss Account	2,70,000	2,90,000
Cash at Bank	1,50,000	75,000

16. Explain the significance of Current Ratio and Quick Ratio with suitable example.

17. Following are the particulars of a company given to you.

(1) Receivable Turnover = 90 days (360 days a year)

(2) Inventory Turnover =3 times

(3) Payables Turnover = 3 months

(4) Gross Profit Ratio = 25%

The following are the additional information:

1. Gross profit for the year comes to Rs. 18,000.
2. Closing inventory is Rs. 2,000 above the opening stock.
3. Bills receivable amounted to Rs. 2,500
4. Bills Payable amounted to Rs. 1,000

Find out:

(A)Sales (B) Debtors (C) Closing Inventory (D)Sundry Creditors

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. ABC Ltd. provided the following information, calculate Net Cash Flow from Financing Activities:

PARTICULARS	31st March 2020 (Rs.)	31st March 2019 (Rs.)
Equity Share Capital	12,00,000	10,00,000
12% Debentures	2,00,000	1,00,000

Additional Information :

1. Interest paid on Debentures Rs.19,000.
2. Dividend paid Rs.50,000.
3. During the year, ABC Ltd. issued bonus shares in the ratio of 5:1 by capitalising reserve.

(6×5=30)

Part C

Answer any two questions.

Each question carries 15 marks.

22. From the following Balance Sheet of RS Ltd as at 31 st March 2019, prepare a Common Size Balance Sheet.

	31-03-2019
I. Equity and Liabilities:	
1. Share Holder's Fund	
a) Share Capital	3,60,000
b) Preference Share Capital	2,00,000
c) Profit and Loss Account	1,51,800
d) General Reserve	78,000
2. Non-Current Liabilities	
a) 10% Debentures	4,50,000
b) Long Term Borrowings	7,80,000
c) Accumulated Depreciation on Building	1,20,000
d) Long Term Provisions	2,15,000
3. Current Liabilities	
a) Income Tax Payable	12,000
b) Outstanding Expenses	24,000
c) Trade Creditors	2,40,000
Total	**26,30,800**
II. Assets:	
1. Non-Current Assets	
a) Fixed: Tangible Assets	
i) Land	11,20,000
ii) Buildings and Equipment	3,60,000
b) Fixed: Intangible Assets	
i) Goodwill	3,75,000
ii) Trade Marks	1,25,000
2. Current Assets	
i) Stock	2,64,000
ii) Debtors	1,68,000
iii) Sundry Advances	1,07,800
iv) Cash at Bank	1,01,000
v) Cash in Hand	10,000
Total	**26,30,800**

23. From the following information relating to Moon Light prepare a Balance Sheet as on 31.3.2015:

1. Current Ratio	2.5
2. Liquid Ratio	1.5

3. Net Working Capital	Rs. 3,00,000
4. Cost of Sales/ Closing Stock	8 times
5. G.P Ratio	20%
6. Average Debt Collection Period	1.5 Months
7. Fixed Assets/ Proprietor's Net worth	0.75
8. Reserves & Surplus/ Capital	0.50

24. From the following balance sheets given below, you are required to prepare Funds Flow Statement.

	31-12-2018	31-12-2019
I. Equity and Liabilities:		
1. Share Holder's Fund		
a) Share Capital	1,10,000	1,50,000
b) Reserves and Surplus		
General Reserves	4,000	4,000
Profit and Loss Account	2,000	2,400
2) Non- Current Liabilities		
a) 9% Debentures	12,000	14,000
b) Long Term Provisions		
c) Provision for Taxation	6,000	8,400
3) Current Liabilities		
a) Trade Creditors	49,000	35,600
b) Proposed Dividend	10,000	11,600
Total Liabilities	**1,93,000**	**2,26,000**
II. Assets:		
1. Non-Current Assets		
a) Fixed: Tangible Assets		
i)Land and Building	60,000	50,000
ii) Plant and Machinery	30,000	50,000
2. Current Assets		
i) Stock	60,000	70,000
ii) Debtors	40,000	48,000
iii) Bank	2,400	7,000
iv) Cash	600	1,000
Total Assets	**1,93,000**	**2,26,000**

25. The Comparative Balance Sheets of a company is given below:

Particulars	Note No.	31st March 2018 (Rs)	31st March 2019 (Rs)
I. EQUITY AND LIABILITIES			

1. Shareholder's Funds		
(a) Share Capital	35,000	37,000
(b) Profit and Loss Balance	5,020	5,280
2. Non - Current Liabilities		
Long Term Borrowings : Debentures	6,000	3,000
3. Current Liabilities		
(a)Trade Payables	5,180	5,920
TOTAL	**51,200**	**51,200**
II. ASSETS		
1. Non- Current Assets		
(a) Land	10,000	15,000
(b) Goodwill	5,000	2,500
2. Current Assets		
(b) Inventories	24,600	21,350
(c) Trade Receivables	7,450	8,850
(d) Cash and Cash Equivalents : Cash	4,500	3,900
(e) Provision for bad and doubtful debts	(350)	(400)
TOTAL	**51,200**	**51,200**

Additional Information:

1. Dividend Paid amounted to *Rs.*1,750
2. Land was purchased for *Rs.*5,000 and the amount provided for writing off goodwill was *Rs.*2,500
3. Debentures were paid to the extent of *Rs.*3,000

(2×15=30)