



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 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

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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

Weightage: 80

Part A

*Answer any **ten** questions.*

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

1. Mention any two functions of Management Accountant.
2. Distinguish between Management Accounting and Financial Accounting ? (Any Two Points)
3. Write a short note on Income Statement.
4. Distinguish between analysis and interpretation.
5. What is Ratio?
6. From the following calculate Fixed Assets to Net Worth Ratio:

Share capital 10,00,000

Reserves & surplus 5,00,000

Fixed Assets 24,00,000



7. What is Net Profit Ratio?
8. What do you mean by the term 'Fund'?
9. Write a note on Shedule of Changes in Working capital.
10. State the treatment of provision for taxation while preparing the Funds Flow Statement.
11. Calculate Cash from Operation from the following information:

Net Profit	Rs.5,60,000
Creditors (1-4-2019)	Rs.30,000
Creditors (31-3-2020)	Rs.20,000

12. From the following information , calculate cash flow from investing activity :

PARTICULARS	31 st March 2019 (Rs.)	31 st March 2020 (Rs.)
Machinery at Cost	8,00,000	8,40,000
Accumulated Depreciation	2,00,000	2,20,000

During the year, a machine costing Rs.80,000 with accumulated depreciation of Rs.48,000 was sold for Rs.40,000

(10×2=20)

Part B

Answer any six questions.

Each question carries 5 marks.

13. Management Accounting is Multi Disiplinary Approach '. Explain
14. Explain the advantages of Common Size Statement.



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. From the following Balance Sheet of MNP Ltd. Calculate liquidity ratios and interpret the short-term financial position of the company.

Balance Sheet as at 31st March 2019

Liabilities	Amount	Asset	Amount
Share Capital	2,40,000	Land & Building	1,50,000
Reserves	50,000	Plant & Machinery	80,000
P & L a/c	60,000	Stock in trade	1,20,000
Sundry Creditors	90,000	Sundry Debtors	60,000
Bills Payable	20,000	Marketable Securities	40,000
		Cash in hand & at Bank	10,000
Total	4,60,000	Total	4,60,000

17. A Company sells goods on cash as well as credit (though not on deferred instalment terms.).The following particulars are extracted from their book of accounts for the Calendar year 2019.



Total Gross Sales	2,00,000
Cash sales (included in above)	40,000
Sales Returns	14,000
Total Debtors for sales on 31.12.2019	18,000
Bills Receivable on 31.12.2019	4,000
Provision for doubtful debts 31.12.2019	2,000
Total Creditors on 31.12.2019	20,000

Calculate the average collection period.

18. Describe the significance of a Funds Flow Statement.

19. From the following Balance Sheet as on 31st December 2018 and 31st December 2019, you are required to compute Funds from operations taking provision for tax and proposed dividends as non-current liabilities.

Balance Sheet as on 31st Dec 2018 and 2019

	31-12-2018 Rs in '000	31-12-2019 Rs in '000
I. Equity and Liabilities:		
1. Share Holder's Fund		
a) Share Capital	10,000	15,000
b) Profit and Loss Account	4,000	6,000
2. Current Liabilities		
a) Trade Creditors	4,000	6,000
b) Outstanding Expenses	2,000	3,000
c) Provision for Taxation	2,000	3,000
d) Proposed Dividend	1,000	1,500
Total Liabilities	23,000	34,500
II. Assets:		
1. Non-Current Assets		
a) Fixed: Tangible Assets		
i) Land and Building	10,000	20,000
2. Current Assets		
i) Stock	7,000	8,500
ii) Debtors	5,000	4,500
iii) Bills Receivable	500	500
iv) Cash	500	1,000
Total Assets	23,000	34,500

Additional information:



1. Tax paid during 2019 Rs 2,500
2. Dividends paid during 2019 Rs 1,000.

20. Distinguish between Operating , investing and financing activities in cash flow analysis ?

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

Particulars	31 st March 2020	31 st March 2019
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 ` 10,000.
2. Dividend paid ` 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. From the following Balance Sheet of PQ 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	4,44,000
b) Preference Share Capital	3,00,000
c) Profit and Loss Account	1,63,800
d) General Reserve	2,25,000
2. Non-Current Liabilities	
a) 10% Debentures	5,00,000
b) Long Term Borrowings	8,90,000



c) Accumulated Depreciation on Building	1,32,000
d) Long Term Provisions	4,07,000
3. Current Liabilities	
a) Income Tax Payable	13,200
b) Outstanding Expenses	48,000
c) Trade Creditors	2,34,000
Total	33,57,000
II. Assets:	
1. Non-Current Assets	
a) Fixed: Tangible Assets	
i) Land	11,60,000
ii) Buildings and Equipment	5,76,000
b) Fixed: Intangible Assets	
i) Goodwill	5,49,000
ii) Trade Marks	2,78,000
2. Current Assets	
i) Stock	1,96,000
ii) Debtors	2,86,000
iii) Sundry Advances	9,000
iv) Cash at Bank	2,31,000
v) Cash in Hand	72,000
Total	33,57,000

23. The following information relate to XY Co.for the year ending 31st December 2018.

Inventory turnover rate (based on closing stock/ inventory)	1.25 times
Trade receivables turnover rate	180 days
Trade payables turnover rate	144 days
Gross profit ratio	25% of sales
Administration expenses	9% of sales
Distribution expenses	6% of sales
Interest on 10% loan	?
Net profit ratio	5% of sales
Return on total assets	5%
Non-current assets(fixed asset) turnover	1.25 times
Current ratio	2.5:1
Sales(all on credit)	Rs. 1,00,000

Prepare an Income Statement for the year ending 31st December 2018 and a Balance Sheet at that



date.

You may also assume that there are 360 days in a year.

24. From the following Balance Sheet of X Ltd . as on 31st March 2018 and 2019. You are required to prepare Funds Flow Statement.

	31-03-2018	31-03-2019
I. Equity and Liabilities:		
1. Share Holder's Fund		
a) Share Capital	1,00,000	1,00,000
b) General Reserve	14,000	18,000
c) Profit and Loss Account	16,000	13,000
2. Current Liabilities		
a) Trade Creditors	8,000	5,400
b) Bills payable	1,200	800
c) Provision for Taxation	16,000	18,000
d) Provision for doubtful debts	400	600
Total	1,55,600	1,55,800
II. Assets:		
1. Non-Current Assets		
a) Fixed: Tangible Assets		
i) Building	40,000	36,000
ii) Plant	37,000	36,000
b) Fixed: Intangible Assets		
i) Goodwill	12,000	12,000
2. Current Assets		
i) Investments	10,000	11,000
ii) Stock	30,000	23,400
iii) Debtors	18,000	19,000
iv) Bills Receivables	2,000	3,200
v) Cash at Bank	6,600	15,200
Total	1,55,600	1,55,800

The following additional information has also been given :

1. Depreciation charged on plant was Rs 4,000 and on building Rs 4,000
2. Provision for taxation of Rs 19,000 was made during the year 2019.
3. Interim dividend of Rs 8,000 was paid during the year 2019.



25. From the following information of a firm calculate Cash from Operating Activities by applying (a) Direct Method (b) Indirect Method:

<i>Particulars</i>	<i>`</i>	<i>Particulars</i>	<i>`</i>
<i>To Cost of Goods Sold</i>	<i>1,40,000</i>	<i>By Sales</i>	<i>2,40,000</i>
<i>To Gross Profit c/d</i>	<i>1,00,000</i>		
	<i>2,40,000</i>		<i>2,40,000</i>
<i>To Salaries</i>	<i>20,000</i>	<i>To Gross Profit b/d</i>	<i>1,00,000</i>
<i>To Depreciation</i>	<i>30,000</i>		
<i>To Insurance Premium</i>	<i>10,000</i>		
<i>To Net Profit</i>	<i>40,000</i>		
	<i>1,00,000</i>		<i>1,00,000</i>

Additional Information:

<i>Particulars</i>	<i>1.4.2019</i>	<i>31.3.2020</i>
<i>Debtors</i>	<i>40,000</i>	<i>48,000</i>
<i>Creditors</i>	<i>14,000</i>	<i>10,000</i>
<i>B/R</i>	<i>10,000</i>	<i>10,000</i>
<i>Stock</i>	<i>44,000</i>	<i>54,000</i>
<i>Outstanding Salaries</i>	<i>4,000</i>	<i>5,000</i>
<i>Prepaid Insurance Premium</i>	<i>2,000</i>	<i>2,000</i>

(2x15=30)

