

Reg. No.

--	--	--	--	--	--	--	--	--	--



BCMCMCN 603

**VI Semester B.Com. Degree Examination, June/July 2024
(NEP – 2020) (2023 – 24 Batch Onwards)
MANAGEMENT ACCOUNTING**

Time : 2 Hours

Max. Marks : 60

SECTION – A

A. Answer **any five** of the following questions.

(5×2=10)

- 1) Mention any two objectives of management accounting.
- 2) What do you mean by common size financial statement ?
- 3) Current ratio is 3.5 : 1, working capital Rs. 3,57,000. Calculate the amount of current assets.
- 4) What are cash equivalent ?
- 5) What is management report ?
- 6) Classify the following into cash flows from operating and investment activities.
 - 1) Purchase of land
 - 2) Dividend paid
 - 3) Interest received on investment
 - 4) Income tax paid
 - 5) Cash paid to suppliers of material
 - 6) Sale of plant.
- 7) How does acid test ratio differs from the current ratio ?
- 8) From the following information prepare common size income statement.
Sales – Rs. 12,00,000, Cost of material – Rs. 4,40,000,
Wages – Rs. 1,80,000, Factory Exp. – Rs. 80,000,
Office Exp. – Rs. 21,000, Selling Expenses – Rs. 18,000.



SECTION – B

B. Answer **any four** of the following questions.

(4×5=20)

- 9) What are the functions of management accounting ?
- 10) Explain the types of management report.

P.T.O.



- 11) Prepare common size statement of profit and loss account and interpret the same.

Particulars	Sales	Cost of Goods Sold	Office Exp.	Selling Exp.	Net profit
	Rs.	Rs.	Rs.	Rs.	Rs.
31-12-2022	2,000	650	250	100	1,000
31-12-2023	3,500	850	225	175	2,250

- 12) Current ratio is 2.5 and liquid ratio is 1.5 working capital is Rs. 50,000. Ascertain current asset and inventory.

- 13) From statement of Mr. Akash Ltd. for the year ended, Akash Ltd. made a profit of Rs. 1,65,000.

Particulars	Amount Rs.
Depreciation on fixed assets	5,000
Profit on sale of building	10,000
Loss on sale of machinery	4,000
Provision for tax	30,000
Provision for doubtful debt	500
Transfer to general reserve	12,000
Amortisation of fictitious assets	2,000



You are required to calculate operating cash profit.

- 14) Prepare comparative income statement of Sanjana Metals Limited from the following :

Particulars	2022	2023
Sales	15,00,000	19,00,000
Cost of goods sold	65% of sales	70% of sales
Indirect materials	40% of gross profit	30% of gross profit
Income tax	45% of profit before tax	40% of profit before tax



SECTION – C

C. Answer **any two** of the following :

(2x15=30)

15) From the following data prepare a statement of cash flow statement of Dr. Reddy Ltd.

Balance Sheet as on 31st December

	2021	2022		2021	2022
	Rs.	Rs.		Rs.	Rs.
Share capital-equity	3,00,000	4,00,000	Goodwill	1,15,000	90,000
Preference shares	1,50,000	1,00,000	Land	2,00,000	1,70,000
General reserve	40,000	70,000	Plant	80,000	2,00,000
P and L A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed dividend	42,000	50,000	B. Receivable	20,000	30,000
Creditors	55,000	83,000	Stock	77,000	1,09,000
Bills payable	20,000	16,000	Cash	15,000	10,000
Provision for tax	40,000	50,000	Bank	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

Additional information :

- 1) Depreciation charged in 2022 Plant Rs. 10,000 and Land Rs. 20,000.
- 2) Interim dividend paid in 2022 Rs. 20,000.
- 3) Income Tax paid in the year 2022 Rs. 35,000.

16)

Balance Sheet

Liabilities	Amount	Assets	Amount
	Rs.		Rs.
Equity share capital	7,00,000	Land and building	5,00,000
Preference share capital	3,00,000	Machinery	3,00,000
General reserve	1,50,000	Furniture	2,50,000
Secured loan	3,50,000	Investments	50,000
Sundry creditors	1,50,000	Inventory	2,25,000
Bills payable	50,000	Sundry debtors	3,25,000
		Cash and Bank	50,000
	17,00,000		17,00,000

Calculate the ratios mentioned below from the above Balance Sheet.

- 1) Current ratio
- 2) Liquid ratio
- 3) Proprietary ratio
- 4) Capital gearing ratio
- 5) Debt equity ratio
- 6) Absolute liquid ratio





17) a) From the particulars of MNC Ltd. You are required to prepare Comparative Balance Sheet and Interpret the changes.



Balance Sheet

	2021		2022		Rs. in lakhs	
	Rs.	Rs.	Rs.	Rs.	2021	2022
Share capital	2,000	2,250	Plant	1,000	1,000	
Reserve	400	200	Land	820	850	
P and L A/c	160	180	Debtors	400	400	
Long term loan	190	100	Bills receivable	400	500	
Creditors	50	60	Prepaid expenses	310	-	
Taxation provision	130	170	Cash in hand	-	210	
Bills payable	70	50	Stock	70	50	
	3,000	3,010		3,000	3,010	

b) From the following Balance Sheet prepare common size balance sheet and interpret the changes.

	2022		2023		2022		2023	
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	
Capital-equity	1,00,000	1,65,000	Fixed assets	1,20,000	1,75,000			
Preference	50,000	75,000	Stock	20,000	25,000			
Reserves	10,000	15,000	Debtors	50,000	62,500			
P and L A/c	7,500	10,000	Bills receivables	10,000	30,000			
Bank O.D.	25,000	25,000	Prepaid expenses	5,000	6,000			
Creditors	20,000	25,000	Cash at bank	20,000	26,500			
Pro. for tax	10,000	12,500	Cash in hand	5,000	15,000			
Proposed dividend	7,500	12,500						
	2,30,000	3,40,000		2,30,000	3,40,000			

18) Explain the meaning, objectives and limitations of management accounting.