



VI Semester B.Com. Degree Examination, May/June 2016

(New)

COMMERCE

Management Accounting (Paper – 6.2)

Time : 3 Hours

Max. Marks : 80

SECTION – A

Answer **any ten** questions from the following :

(10×2=20)

1. Define management accounting.
2. Write three differences between Financial Accounting and Management Accounting.
3. Mention four limitations of Management Accounting.
4. What do you mean by current assets ?
5. What is fund flow statement ?
6. What is cash flow statement ?
7. Give the meaning of financial analysis and interpretation.
8. What is funds from operation ?
9. What is debt equity ratio ?
10. Give two advantages of cash flow statement.
11. Current ratio is 2.5 and current liabilities are Rs. 80,000. Calculate current assets.
12. Sales Rs. 5,00,000 and cost of goods sold Rs. 4,00,000. What is Gross Profit Ratio ?

SECTION – B

Answer **any three** of the following.

(3×5=15)

13. From the following details, calculate average stock, opening stock and closing stock.
 - 1) Sales Rs. 80,000
 - 2) Gross profit Rs. 2,00,000
 - 3) Stock velocity is 8 months
 - 4) Closing stock is Rs. 4,000 less than op. stock.
14. From the following Balance Sheets of Manohar Ltd. as on 31st December 2012 and 2013. Prepare schedule of changes in working capital.

Liabilities	2012	2013	Assets	2012	2013
Share capital	4,00,000	4,65,000	L and B	3,50,000	2,70,000
Debentures	1,00,000	1,20,000	P and M	2,00,000	3,40,000

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P and L A/c	60,000	62,000	Cash	30,000	70,000
Sundry creditors	2,00,000	1,70,000	Debtors	1,80,000	2,30,000
B/P	1,10,000	1,45,000	Stock	1,30,000	60,000
Provision for taxation	20,000	8,000			
	8,90,000	9,70,000		8,90,000	9,70,000

15. Calculate the cash from operations from the following information :

Particulars	1-4-2012	31-3-2013
P and L A/c	30,000	32,500
Gen. Reserve	86,000	1,03,500
Debtors	42,500	24,000
Bills receivable	20,000	40,500
Wages outstanding	13,000	4,000
Salaries prepaid	4,000	5,000
Goodwill	35,000	30,000

16. Give the difference between financial analysis and interpretation.

17. Distinguish between cash book and cash flow statement.

SECTION – C

Answer any three of the following :

(3x15=45)

18. Following is the Profit and Loss Account of Pavan Company Ltd. for the year ending 31-3-2014 :

To Opening stock	2,00,000	By Sales	17,00,000
To Purchases	10,87,000	By Cl. stock	2,97,000
To Wages	30,000		
To Gross profit c/d	6,80,000		
	19,97,000		19,97,000
To Administrative expenses	2,90,000	By G/P B/d	6,80,000
To Selling expenses	75,000	By Interest on investment	7,500
To Finance expenses	25,000	By Profit on sale of shares	13,500
To Loan on sale of asset	11,000		
To Net profit	3,00,000		
	7,01,000		7,01,000

Balance Sheet as on 31-3-2014

Liabilities	Amount	Assets	Amount
Equity shares of Rs.100 each	4,00,000	Land and Buildings	5,10,000
P and L Account	3,00,000	Machinery	1,50,000



Reserves	1,60,000	Stock in trade	2,97,000
Debentures	3,00,000	Sundry debtors	1,42,000
Bank overdraft	40,000	Cash in hand	61,000
Creditors	60,000	Bank balance	1,00,000
	12,60,000		12,60,000

Calculate the following ratios :

- | | |
|-------------------------------------|---------------------------------|
| 1) Gross Profit Ratio | 2) Operating Ratio |
| 3) Net Profit Ratio | 4) Operating Expenses Ratio |
| 5) Operating Profit Ratio | 6) Current Ratio |
| 7) Return on Capital Employed Ratio | 8) Earning per Share Ratio |
| 9) Liquidity Ratio | 10) Debt Equity Ratio |
| 11) Stock Turnover Ratio | 12) Fixed Assets Turnover Ratio |

19. Following details prepare Trading, P and L A/c and Balance Sheet as on 31-3-2014 :

Gross Profit Ratio	-	25%
Stock Turnover Ratio	-	10 times
Net profit to capital	-	1 : 5
Capital to total liability	-	1 : 2
Net profit to sales ratio	-	20%
Fixed assets to capital	-	5 : 4
Fixed assets to total current assets	-	5 : 7
Fixed assets	-	Rs. 2,50,000
Closing stock	-	Rs. 18,000

20. The statement of assets and liabilities of Sridevi Ltd. as on 31st Dec. are given below :

Particulars	31-12-2014	31-12-2015
Equity share capital	60,000	1,20,000
10% Preference share capital	50,000	90,000
Reserve fund	40,000	50,000
Profit and Loss account	20,000	30,000
Long term loans	20,000	50,000
Creditors	10,000	30,000
Total	2,00,000	3,70,000
Fixed assets	1,50,000	2,80,000
Less : Depreciation	50,000	80,000
	1,00,000	2,00,000



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Investments	40,000	50,000
Inventories	40,000	60,000
Account receivable	10,000	40,000
Cash	10,000	20,000
Total	2,00,000	3,70,000

Prepare comparative statement of assets and liabilities and comment on for financial position.

21. Following are the Balance Sheets of a company as on 31-12-2011 and 2012 :

Liabilities	2011	2012	Assets	2011	2012
Share capital	1,40,000	1,48,000	Cash in hand	18,000	15,600
Debentures	24,000	12,000	Debtors	29,800	35,400
Creditors	20,000	23,680	Stock	98,400	85,400
Provision for R.D.D.	1,400	1,600	Land	40,000	60,000
P and L A/c	20,800	21,120	Goodwill	20,000	10,000
	2,06,200	2,06,400		2,06,200	2,06,400

Additional information :

- 1) Dividend paid Rs. 7,000
- 2) Land was purchased for Rs. 20,000 and the amount provided for amortisation of goodwill Rs. 10,000
- 3) Debenture loan was repaid Rs. 12,000

You are required to prepare fund flow statement.

22. From the following Balance Sheet of 'X' Company Ltd. prepare cash flow statement.

Balance Sheet as on 31st December 2013 and 2014

Liabilities	2013	2014	Assets	2013	2014
Equity share capital	2,00,000	3,00,000	Goodwill	1,15,000	90,000
Preference capital	2,50,000	2,00,000	L and B	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
Profit and Loss A/c	30,000	48,000	Debtors	1,50,000	1,90,000
Proposed dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	45,000	73,000	B/R	30,000	40,000
Bills payable	30,000	26,000	Cash in hand	25,000	18,000
Provision for taxation	40,000	50,000			
	6,77,000	8,17,000		6,77,000	8,17,000

Additional information :

- 1) Depreciation of Rs. 10,000 and Rs. 20,000 have been charged on plant and land and buildings respectively in 2014.
- 2) An interim dividend of Rs. 20,000 have been paid in 2014
- 3) Rs. 35,000 income tax was paid during the year 2014

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