



**VI Semester B.Com. Degree Examination,  
September/October 2020**

**COMMERCE**

**Paper 6.2 – Management Accounting  
(All New)**

Time : 3 Hours

Max. Marks : 80

**Instructions :** Attempt **all** Sections according to Internal Choice.

**SECTION – A**

- I. Answer **any ten** of the following questions : **(10 × 2 = 20)**
1. Define Management Accounting.
  2. Write two differences between Financial Accounting and Management Accounting.
  3. What are Financial Statements?
  4. What is EPS?
  5. What is Ratio Analysis?
  6. What is Debt Equity Ratio?
  7. What is Fund Flow Statement?
  8. What is Debtors turnover Ratio?
  9. What is Cash Flow Statement?
  10. Give the meaning of Current Assets.
  11. Give two differences between Fund Flow and Cash Flow Statement.
  12. What is Comparative Statement?



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SECTION - B

II. Answer **any three** of the following :

(3 × 5 = 15)

13. What are the functions of Management Accounting?

14. Give sources of Fund and Application of Fund.

15. From the following information calculate Inventory Turnover Ratio.

Credit Sales	2,00,000	Return inwards	10,000
Cash Sales	80,000	Opening stock	25,000
Closing stock	30,000	Gross profit is	25%

16. From the following information calculate Funds from Operations :

Particulars	31.12.2016	31.12.2017
Profit & Loss A/c	45,000	75,000
General Reserve	20,000	25,000
Goodwill	15,000	10,000
Preliminary expenses	10,000	5,500
Proposed Dividend	10,000	15,000

Loss on Sale of Investments – Rs. 2,000

17. Calculate Cash from operation from the following information :

Net Loss as per P & L A/c	25,000
Outstanding expenses	4,000
Depreciation on Fixed Assets	8,000
Goodwill written off	3,000
Loss on Sale of Fixed Assets	500
Preliminary expenses written off	5,000
Dividend Received	2,000
Commission Received	1,000

SECTION - C

III. Answer **any three** of the following :

(3 × 15 = 45)

18. Prepare Balance Sheet from the following information of Aravind Comp. Ltd. as on 31.12.2017.

Gross Profit Ratio – 20% on Sales

Debt Collection period – 2 months

Shareholders Fund – Rs. 15,00,000

Reserves – 50% of Share capital

Current Ratio – 2.5

Fixed Assets turnover Ratio – 2 Times

Net working capital – Rs. 6,00,000

Quick Ratio – 1.5

Stock turnover – 6 Times (On cost of sales)

19. The Statements of Assets and Liabilities of Sridevi Ltd. as on 31<sup>st</sup> Dec. are given below :

Particulars	2016		2017	
	Amount	Amount	Amount	Amount
I. Equity Liabilities				
1. Shareholders Fund :				
Share capital	6,00,000		8,00,000	
Reserves and Surplus	<u>1,40,000</u>	7,40,000	<u>2,36,000</u>	10,36,000
2. Non Current Liabilities :				
Long term borrowings		3,00,000		2,00,000
3. Current Liabilities :				
Trade payables	1,50,000		1,98,000	
Short term provisions	<u>1,64,000</u>	<u>3,14,000</u>	<u>2,00,000</u>	<u>3,98,000</u>
Total		<u>13,54,000</u>		<u>16,34,000</u>

II. Assets

1. Non Current Assets :

    Fixed Assets

        Tangible Assets      5,60,000      7,40,000

        Intangible Assets    2,30,000    7,90,000    1,80,000    9,20,000

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Particulars	2016		2017	
	Amount	Amount	Amount	Amount
<b>2. Current Assets</b>				
Inventories	1,54,000		2,18,000	
Trade Receivables	3,60,000		4,60,000	
Cash and Cash				
Equivalents	50,000	5,64,000	36,000	7,14,000
<b>Total</b>		<u>13,54,000</u>		<u>16,34,000</u>

Notes to Accounts		2016	2017
Note 1	Share capital	6,00,000	8,00,000
	<b>Total</b>	<u>6,00,000</u>	<u>8,00,000</u>
Note 2	Reserves and Surplus :		
	Gen. Reserve	80,000	1,40,000
	Profit and Loss	60,000	96,000
		<u>1,40,000</u>	<u>2,36,000</u>
Note 3	Long term borrowings :		
	6% Debentures	3,00,000	2,00,000
		<u>3,00,000</u>	<u>2,00,000</u>
Note 4	Trade payable :		
	Sundry Creditors	1,10,000	1,66,000
	Bills Payable	40,000	32,000
		<u>1,50,000</u>	<u>1,98,000</u>
Note 5	Short term provisions :		
	Provision for taxation	80,000	1,00,000
	Proposed Dividend	84,000	1,00,000
		<u>1,64,000</u>	<u>2,00,000</u>
Note 6	Tangible Assets :		
	Machinery	1,60,000	4,00,000
	Building	4,00,000	3,40,000
		<u>5,60,000</u>	<u>7,40,000</u>
Note 7	Intangible Assets :		
	Goodwill	2,30,000	1,80,000
		<u>2,30,000</u>	<u>1,80,000</u>



	Notes to Accounts	2016	2017
Note 8	Inventories :		
	Stock	1,54,000	2,18,000
		<u>1,54,000</u>	<u>2,18,000</u>
Note 9	Trade Receivable :		
	Sundry Debtors	3,20,000	4,00,000
	Bills Receivable	40,000	60,000
		<u>3,60,000</u>	<u>4,60,000</u>
Note 10	Cash and Cash Equivalent :		
	Cash	50,000	36,000
		<u>50,000</u>	<u>36,000</u>

Prepare a Comparative Statement of Assets and Liabilities Concern and Comment on the financial position.

20. Following is the Trading and Profit and Loss A/c of ABC Ltd.

Particulars	Note	Amount	Total
I. Continuing Operations :			
(1) Revenue from operations	1		5,00,000
(2) Other Income	2		6,000
Total Revenue			<u>5,06,000</u>
(3) Expenses :			
Cost of Materials consumed	3	2,93,000	
Employees benefit cost	4	5,000	
Finance Cost	5	7,000	
Other Expenses	6	1,17,000	4,22,000
Profit			<u>84,000</u>

	Notes to Accounts	
Note 1	Revenue from operations :	
	Sales	5,00,000
	Total	<u>5,00,000</u>
Note 2	Other Incomes :	
	Interest on Securities	1,500
	Dividend on Shares	3,750
	Profit on sale of shares	750
	Total	<u>6,000</u>

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Notes to Accounts

Note 3	Cost of Materials consumed :	
	Opening stock of Materials	76,250
	Add : Purchase of Materials	3,15,250
		3,91,500
	Less : Closing stock of Materials	98,500
	Total	<u>2,93,000</u>
Note 4	Employees benefit cost :	
	Wages	5,000
	Total	<u>5,000</u>
Note 5	Finance Cost :	
	Financial Expenses	7,000
	Total	<u>7,000</u>
Note 6	Other Expenses :	
	Carriage	2,000
	Administrative Expenses	1,01,000
	Selling and Distribution expenses	12,000
	Loss on Sale of Fixed Assets	350
	Provision for legal suit	1,650
	Total	<u>1,17,000</u>

You are required to calculate :

- (a) Gross Profit Ratio
- (b) Net Profit Ratio
- (c) Operating Profit Ratio
- (d) Administrative Expenses Ratio
- (e) Financial Expenses Ratio
- (f) Selling and Distribution Expenses Ratio
- (g) Non-operating Expenses Ratio
- (h) Stock turnover Ratio
- (i) Non Operating Income Ratio
- (j) Operating Cost Ratio



21. Following are the Statement of Assets and Liabilities of a Company as on 31.12.2016 and 2017.

Particulars	Note	2016		2017	
		Amount	Total	Amount	Total
<b>I. Equity and Liability</b>					
1. Shareholders Fund :					
(a) Share capital	1	1,39,000		1,45,000	
(b) Reserves and Surplus	2	<u>21,800</u>	1,60,800	<u>24,120</u>	1,69,120
2. Non-current Liability :					
Long term borrowings	3		24,000		12,000
3. Current Liabilities :					
Trade payables	4		<u>20,000</u>		<u>23,680</u>
			<u>2,04,800</u>		<u>2,04,800</u>
<b>II. Assets</b>					
1. Non-current Assets :					
(a) Fixed Assets :					
(i) Tangible Assets	5	40,000		60,000	
(ii) Intangible Assets	6	<u>20,000</u>	60,000	<u>10,000</u>	70,000
2. Current Assets :					
(a) Inventories	7	98,400		85,400	
(b) Trade Debtors	8	28,400		33,800	
(c) Cash and Cash Equivalent	9	<u>18,000</u>	<u>1,44,800</u>	<u>15,600</u>	<u>1,34,800</u>
			<u>2,04,800</u>		<u>2,04,800</u>

Notes to Accounts		2016	2017
Notes 1	Share capital :		
	Equity Shares of Rs. 10 each	<u>1,39,000</u>	<u>1,45,000</u>
	Total	<u>1,39,000</u>	<u>1,45,000</u>
2	Reserves and Surplus :		
	Share Premium	1,000	3,000
	Profit and Loss	<u>20,800</u>	<u>21,120</u>
	Total	<u>21,800</u>	<u>24,120</u>
3	Long term borrowings :		
	Debentures	<u>24,000</u>	<u>12,000</u>
	Total	<u>24,000</u>	<u>12,000</u>



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Notes to Accounts	2016	2017
4 Trade Payables :		
Trade Creditors	<u>20,000</u>	<u>23,680</u>
Total	<u>20,000</u>	<u>23,680</u>
5 Tangible Assets :		
Land	<u>40,000</u>	<u>60,000</u>
Total	<u>40,000</u>	<u>60,000</u>
6 Intangible Assets :		
Goodwill	<u>20,000</u>	<u>10,000</u>
	<u>20,000</u>	<u>10,000</u>
7 Inventories :		
Stock	<u>98,400</u>	<u>85,400</u>
Total	<u>98,400</u>	<u>85,400</u>
8 Trade Receivables :		
Debtors	<u>29,800</u>	<u>35,400</u>
Less : R.D.D.	<u>1,400</u>	<u>1,600</u>
Total	<u>28,400</u>	<u>33,800</u>
9 Cash and Cash Equivalent :		
Cash in hand	<u>18,000</u>	<u>15,600</u>
Total	<u>18,000</u>	<u>15,600</u>

Additional information :

(a) Dividend were paid totaling Rs. 7,000.

(b) Land was purchased for Rs. 20,000 and the amount provided for amortization of Goodwill totalled Rs. 10,000.

(c) Debenture Loan was repaid Rs. 12,000.

You are required to prepare Fund Flow Statement.

22. The following details are available from 'A' Company.

Statement of Assets and Liabilities

Particulars	Note	2017		2018	
		Amount	Total	Amount	Total
I. Equity and Liabilities					
1. Shareholders Funds :					
(a) Share capital	1	1,90,000		1,80,000	
(b) Reserves and Surplus	2	<u>35,000</u>	2,25,000	<u>29,000</u>	2,09,000





2. Current Liabilities :

Trade payable	3	<u>76,000</u>	<u>76,000</u>	-	<u>64,000</u>
Total			<u>3,01,000</u>		<u>2,73,000</u>

	Note	2017		2018	
II. Assets		Amt.	Total	Amt.	Total

1. Non-current Assets :

(a) Fixed Assets :

(i) Tangible Assets	4	62,000		50,000	
(ii) Intangible Assets	5	<u>9,000</u>	71,000	<u>8,000</u>	58,000

2. Current Assets :

(a) Trade Receivable	6	1,90,000		1,55,000	
(b) Cash and Cash Equivalent	7	<u>40,000</u>	<u>2,30,000</u>	<u>60,000</u>	<u>2,15,000</u>
Total			<u>3,01,000</u>		<u>2,73,000</u>

Notes to Accounts		2017	2018
Notes 1	Share capital	<u>1,90,000</u>	<u>1,80,000</u>
	Total	<u>1,90,000</u>	<u>1,80,000</u>
2	Reserves and Surplus :		
	P & L A/c	<u>35,000</u>	<u>29,000</u>
	Total	<u>35,000</u>	<u>29,000</u>
3	Trade Payable :		
	Bills payable	<u>76,000</u>	<u>64,000</u>
	Total	<u>76,000</u>	<u>64,000</u>
4	Tangible Assets :		
	L & B	<u>62,000</u>	<u>50,000</u>
	Total	<u>62,000</u>	<u>50,000</u>

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Notes to Accounts	2017	2018
5 Intangible Assets :		
Patents	<u>9,000</u>	<u>8,000</u>
Total	<u>9,000</u>	<u>8,000</u>
6 Trade Receivables :		
Debtors	<u>1,90,000</u>	<u>1,55,000</u>
Total	<u>1,90,000</u>	<u>1,55,000</u>
7 Cash and Cash Equivalent :		
Cash	<u>40,000</u>	<u>60,000</u>
Total	<u>40,000</u>	<u>60,000</u>

Prepare Cash Flow Statement as per A.S-3 (Revised).

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