



Reg. No. : .....

Name : .....

**VI Semester B.Com. Degree (CBCSS-Reg./Supple./Improv.)**

**Examination, April 2020**

**(2014 Admission Onwards)**

**Core Course**

**6B15 COM : MANAGEMENT ACCOUNTING**

Time : 3 Hours

Max. Marks : 40

**PART – A**

I. Answer **all** questions. **Each** carries  $\frac{1}{2}$  mark.

1) The Profit/Volume ratio expresses the relation of \_\_\_\_\_ to sales.

2) \_\_\_\_\_ ratio is considered as crude ratio.

3) Interest received by a bank is treated as \_\_\_\_\_ activity in cash flow statement.

4) Calendar variances are the type of \_\_\_\_\_.

**(4x $\frac{1}{2}$ =2)**

**PART – B**

II. Answer **any four** questions. **Each** carries **one** mark.

5) Define Management Accounting.

6) What is 'Margin of Safety' ?

7) What is Master Budget ?

8) Define the term 'Financial Analysis'.

9) What is 'Cash Equivalents' ?

10) What is Material Mix Variance ?

**(4x1=4)**

**PART – C**

III. Answer **any six** questions (**not exceeding one page**). **Each** carries **three** marks.

11) Explain the Nature of Management Accounting.

12) What are the Managerial Applications of Marginal Costing ?

**P.T.O.**



- 13) Brief the limitations of ratio Analysis.  
 14) Trace the importance of budgeting.  
 15) The sales turn over and cost of sales during the two periods were as follows :

Year	Sales (Rs.)	Total Cost (Rs.)
2017 – 18	16,00,000	14,40,000
2018 – 19	24,00,000	20,00,000

Calculate : P/V Ratio, BEP in sales and sales to earn a profit of Rs. 5,00,000.

- 16) From the following information, calculate Labour Variances.

Standard hours	: 3,000
Standard rate of wages	: Rs. 10 per hour
Actual rate of wages	: Rs. 12 per hour
Actual hours	: 2,000

- 17) Prepare a common size statement from the following data :

	2018 (Rs. in Lakh)	2019 (Rs. in Lakh)
Net profit	340	240
Net sales	1,200	1,500
Administrative expenses	40	50
Selling expenses	20	10
Cost of goods sold	800	1,200

- 18) Find out the value of closing stock from the given information :

Stock at the beginning	: Rs. 50,000	
Operating ratio	: 85%	
Gross profit ratio	: 25%	
Net profit	: Rs. 75,000	
Stock turnover	: 8 times.	<b>(6×3=18)</b>

PART – D

IV. Answer **any two** questions. **Each** carries **eight** marks.

- 19) From the following information, make out a position statement with as many items as possible :

Current ratio	: 2.5
Liquid ratio	: 1.5



- Fixed assets/proprietors fund : 0.75
- Working capital : Rs. 60,000
- Reserves and Surplus : Rs. 40,000
- Bank overdraft : Rs. 10,000

Assume that there is no long term debt and fictitious assets.

20) The expenses related with the production at 60% capacity in a factory are given as follows :

- Current production : 600 units
- Material cost : Rs. 100 per unit
- Wages : Rs. 40 per unit
- Direct expenses : Rs. 10 per unit
- Factory overhead : Rs. 40,000 (40% Fixed)
- Administrative expense : Rs. 30,000 (60% Fixed)

You are required to prepare Flexible Budget at 80% and 100% capacities.

21) The following are the Comparative Balance Sheets of Galaxy Ltd. as on 31<sup>st</sup> December 2018 and 2019.

<b>Liabilities</b>	<b>2018</b>	<b>2019</b>	<b>Assets</b>	<b>2018</b>	<b>2019</b>
Share Capital (Shares of Rs. 10 each)	3,50,000	3,70,000	Land	1,00,000	1,50,000
Profit and Loss A/c	50,400	52,800	Stock	2,46,000	2,13,500
9% Debentures	60,000	30,000	Goodwill	50,000	25,000
Creditors	51,600	59,200	Cash and Bank	42,000	35,000
			Short Investments	3,000	4,000
			Debtors	71,000	84,500
	<b>5,12,000</b>	<b>5,12,000</b>		<b>5,12,000</b>	<b>5,12,000</b>

Other details are :

- a) Dividend declared and paid during the year Rs. 17,500.
- b) Land was revalued during the year at Rs. 1,50,000 and the profit on revaluation transferred to P and L A/c.

You are required to prepare Cash Flow Statement.

(2x8=16)