K17U 0176

Reg. No. : ....

Name : ....

VI Semester B.Com. Degree (CCSS – Supple./Improv.) Examination, May 2017
Core Course
6B14 COM : MANAGEMENT ACCOUNTING
(2012 – 2013 Admns.)

Time : 3 Hours   Max. Weightage : 30

PART – A

This Part consist of **two** bunches of question carrying **equal** weightage of **one. Each** bunch consist of **four** objective type questions. Answer **all** questions.

I. 1) Statement of financial positions at different periods of time :
   a) comparative financial statement
   b) comparative balance sheet
   c) common size statement
   d) common size balance sheet

2) Ratio is a ___________ relationship between two items expressed in quantitative forms.
   a) Accounting   b) Mathematical
   c) Financial   d) None of these

3) An ideal current ratio is
   a) 1 : 2   b) 2 : 1   c) 2 : 3   d) none of these

4) Provision for Taxation is given only in the Assets side of the Balance Sheet (True/False). **(Wt. : 1)**

II. 5) Cash from operations
   a) cash sales – cash purchases
   b) cash sales – (cash purchases – cash operating expenses)
   c) cash sales – (cash purchases + cash operating expenses)
   d) none of these

6) Sales Rs. 3,00,000, Fixed costs Rs. 60,000 and Profit Rs. 80,000. What is variable cost ?
   a) 1,40,000   b) 1,80,000   c) 1,60,000   d) none of these

P.T.O.

7) Which of the following is not a budget in terms of time ?

a) long term budget
b) short term budget
c) rolling budget
d) zero base budget

8)

Materials	Quantity (units) (Standard)	Price (Rs.) (Standard)	Quantity (units) (Actual)	Price (Rs.) (Actual)
M	20	20	25	24
N	30	10	25	16

Material mix variance :

a) Rs. 50 favourable
b) 50 adverse
c) Rs. 100 favourable
d) Rs. 100 adverse

(Wt. : 1)

PART – B

Answer **any eight** questions in **one** or **two** sentences **each**. **Each** questions carries a weightage of **one**.

9) Distinguish between budgeting and forecasting.

10) What is the purpose of accounting information ?

11) What is a financial statement ?

12) List two essentials of inter-firm or intra-firm comparison.

13) How is quick or acid test or liquid ratio calculated ?

14) What do you mean by operating leverage ?

15)

Liabilities	**2013 (Rs.)**	**2014 (Rs.)**
Provision for taxation	10,000	15,000

Additional information :

Tax paid during the year Rs. 12,000. Prepare Provision for Taxation Account.

16) From the following information calculate cash from operations.

	Rs.
Opening stock	12,000
Purchases	35,000
Sales	60,000
Closing stock	20,000
Expenses	12,000

17) AB Ltd. has fixed expenses of Rs. 50,000 with sales at Rs. 2,00,000 and a profit of Rs. 40,000. Determine Profit Volume ratio.

18) What is ideal standard ?

(Wt. : 1×8=8)

PART – C

Answer **any six** questions. Answer **not** to exceed **one** page. **Each** carries a weightage of **two.**

19) Explain important users of the accounting information.

20) Describe briefly the tools and techniques of financial analysis.

21) The following are the ratios relating to Aravind Ltd.

Gross profit ratio :	15 percent
Stock velocity :	6 months
Debtors velocity :	3 months
Creditors velocity :	3 months

Gross profit for the year ending December 31, 2014 amounts to Rs. 1,20,000. Closing stock is equal to opening stock. Calculate :

a) sales b) closing stock c) sundry debtor

22) You are given the following Comparative Balance Sheets of XY Ltd.

	31st December	
Assets	**2013**	**2014**
	Rs.	**Rs.**
Cash	4,700	3,000
B/R	11,500	12,000
Land	6,600	5,000
Stock	9,000	8,000
	31,800	**28,000**
Liabilities		
B/P	4,500	7,000
Capital	25,000	20,000
Retained earnings	2,300	1,000
	31,800	**28,000**

You are required to prepare the schedule of Working capital charges.

23) A company produces 300 units of a single article and sells it at Rs. 200 each. The marginal cost of production is Rs. 120 per unit and fixed cost for the month is Rs. 8,000. Find out

a) P/V ratio b) B.E.P. c) Margin of safety

24) A manufacturing concern furnishes the following information :

Standard : Materials for 70 kg. of finished product, 100 kg price of materials : Re. 1 per kg.

Actual : Output, 2,10,000 kg. Materials used, 2,80,000 kg. Cost of materials Rs. 2,52,000. Calculate :

a) MUV b) MPV c) MCV

25) A manufacturing company produces 2,000 units at 100% capacity and the costs at this level are given below :
Variable Rs. 4 per unit
Semi-variable Rs. 6 per unit [50% variable]
Fixed Rs. 6,000
Prepare a flexible budget for 80%, 85%, 90% and 100% of activity

26) What is ZeroBase Budgeting ? Explain process of ZBB. **(Wt. : 2×6=12)**

PART – D

Answer **any two** questions. **Each** question carries a weightage of **four**.

27) A plant produces a product in the quantity of 10,000 units at a cost of Rs. 3.00 per unit. If 20,000 units are produced, the cost per unit will be Rs. 2.50. Selling price per unit is Rs. 4.00. Calculate :
a) Fixed cost
b) Variable cost per unit
c) B.E.P. units
d) B.E.P. Rs.

28) From the following Comparative Balance Sheet of 'AB' Ltd. Prepare :
i) statement showing the charges in working capital and
ii) statement of sources and application of funds

	31st December	
Assets :	**2013**	**2014**
	Rs.	**Rs.**
Cash	5,000	3,300
Accounts Receivable	11,000	12,000
Plant & Machinery	7,000	4,500
Stock	9,000	8,000
	32,000	**27,800**
Liabilities :		
Sundry creditors	4,000	6,500
Capital	25,000	20,000
Retained earnings	3,000	1,300
	32,000	**27,800**

29) You aregiven the following data for the coming year of a manufacturing concern :

Budgeted output	80,000 units
Fixed expenses	Rs. 2,00,000
Variable expenses per unit	Rs. 5
Selling price per unit	Rs. 10

Draw a break-even chart showing the break-even point. If the selling price is reduced to Rs. 9 per unit, what will be the new break-even point. **(Wt. : 4×2=8)**