



K20U 0179

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 ½ 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 _____. (4×½=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 ? (4×1=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.	(6×3=18)

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 31st December 2018 and 2019.

Liabilities	2018	2019	Assets	2018	2019
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
	5,12,000	5,12,000		5,12,000	5,12,000

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)