



M 5961

Reg. No. :

Name :

VI Semester B.Com. Degree (CCSS – Reg./Supple./Improv.)

Examination, May 2014

CORE COURSE IN COMMERCE

6B14 COM : Management Accounting

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. Management Accounting provides valuable services to management in performing
- | | |
|--------------------------|-----------------------------|
| a) Planning function | b) Controlling functions |
| c) Coordinating function | d) All managerial functions |
2. Long term solvency is indicated by
- | | |
|----------------------|--------------------------|
| a) Rate of return | b) Liquid ratio |
| c) Debt-equity ratio | d) Capital gearing ratio |
3. If operating ratio is 79%, the net profit ratio will be
- | | | | |
|--------|--------|-------|------------------|
| a) 15% | b) 21% | c) 7% | d) None of these |
|--------|--------|-------|------------------|
4. Increase in fixed asset due to purchase is
- | | |
|--------------------------------|------------------------|
| a) Sources of fund | b) Application of fund |
| c) Decrease in working capital | d) None of these |

II. State whether the following statements are **true** or **false** :

5. Contribution is also known as marginal income.
6. Fixed budget is related to budgeting for fixed asset.
7. Fixed cost are not included in the valuation of stock under marginal costing.
8. Budgeted sales and standard sales are synonymous. **(2×1=2 Weight)**

P.T.O.



PART – B

Answer **any eight** questions. **Each** question carries a weightage of **one**.

9. How will you calculate debt-equity ratio ?
10. What do you mean by ratio ?
11. State the reason for material cost variance.
12. Define fixed budget.
13. What is budget period ?
14. What is principal budget factor ?
15. What is gross working capital ?
16. What do you mean by share holder's fund ?
17. Define budget.
18. What is budget manual ? **(8×1=8 Weight)**

PART – C

Answer **any six** question. **Each** carries a weightage of **two**.

19. What are the limitations of budgeting ?
20. A Ltd., has introduced standard costing system and has furnished the following information :

Standard : Material for 70 kg of finished goods	100 kg
Price of materials	Rs. 1 per kg
Actual : Output	21,000 kg
Materials used	2,80,000 kg
Cost of materials	2,52,000

Calculate material cost variance.



28. From the information given below prepare flexible budget for 60% and 80% capacities, and fix the total overhead rates as a percent on direct wage at there capacities.

	At 60% Capacity	At 75% Capacity	At 80% Capacity
Variable overheads			
Indirect material		7,500	
Indirect labour		22,500	
Semi-variable overheads			
Electricity (40% fixed, 60% variable)		37,500	
Repairs and maintenance (80% fixed and 20% variable)		3,750	
Fixed Overheads			
Salaries		1,00,000	
Insurance		5,000	
Depreciation		25,000	

Estimated direct wages Rs. 40,250 at 75% capacity.

29. Balance Sheet of M/s Devinanda Ltd., on 1-1-2011 and 31-12-2011 were as under.

	1-1-2011	31-12-2011		1-1-2011	31-12-2011
Creditors	40,000	44,000	Cash	10,000	7,000
Mrs. Devi's loan	25,000	—	Debtors	30,000	50,000
Loan from Bank	40,000	50,000	Stock	35,000	25,000
Capital	1,25,000	1,53,000	Machinery	80,000	55,000
			Land	40,000	50,000
			Building	35,000	60,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year, a machine costing Rs. 10,000 (total depreciation written off Rs. 3,000) was sold for Rs. 5,000. The provision for depreciation against machinery as on 1-1-2011 was Rs. 25,000 and on 31-12-2011 Rs. 40,000. Net profit for the year 2011 amounted to Rs. 45,000. Prepare cash flow statement. (2×4=8 Weight)