



K16U 0066

Reg. No. :

Name :

VI Semester B.Com. Degree (CCSS-Reg./Supple. Improv.)
Examination, May 2016
Core Course
6B14 COM : MANAGEMENT ACCOUNTING
(2012 Adm. Onwards)

Time : 3 Hours

Total 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.

- 1) Processed accounting data emanating from financial and non-financial transactions are termed
 - a) Management information
 - b) Accounting information
 - c) Costing information
 - d) None of these
- 2) Method of analysing a single set of financial statement
 - a) External Analysis
 - b) Internal Analysis
 - c) Horizontal Analysis
 - d) Vertical Analysis
- 3) Stock Turn over Ratio = $\frac{\text{Cost of Sales}}{\text{Average Stock}} = \frac{\text{Rs. 2,00,000}}{\text{Rs. 40,000}}$
 - a) STR expressed is $\frac{20}{4}$ times
 - b) STR is '5' Times
 - c) STR is 20 : 4 Times
 - d) None of these
- 4) Schedule of working capital changes is prepared only current assets and current liabilities from the _____
 - a) Trading Profit & Loss Account
 - b) Balance Sheet
 - c) Fund flow statement
 - d) None of these (W. = 1)
- 5) Sales Rs. 50,000, Profit Rs. 5,000 and variable cost 70% what is P/V Ratio ?
 - a) 30 %
 - b) 3 %
 - c) 35 %
 - d) None of these
- 6) MYV =
 - a) AY (SR – SY)
 - b) SR (AY – SY)
 - c) SY (AY – SR)
 - d) None of these

P.T.O.



- 7) _____ is the act of starting budgets from SCRATCH.
 a) Current Budgets b) Zero-base Budgeting
 c) Programme Budgets d) Responsibility Budget

8) Find the True one

a) Financial Leverage = $\frac{EBIT}{EBIT - Interest}$

b) Operating Leverage = $\frac{EBIT}{Contribution}$

c) Combined leverage = $\frac{Financial\ leverage}{Operating\ leverage}$

d) EBIT = $\frac{Contribution}{Earnings\ After\ Tax}$

(W. 1)

PART – B

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

9. What is management accounting ?
10. List two objectives of financial statements.
11. Who is a management accountant ?
12. State two advantages of inter-firm comparison.
13. How is Net profit Ratio calculated ?
14. Define fund.
15. Calculate sales quantity and sales revenue to earn a profit of Rs. 40,000 from the following :
 Variable cost : Rs. 3 per unit
 Selling price : Rs. 11 per unit
 Fixed Cost : Rs. 96,000

16. Distinguish between Fixed Budget and Flexible Budget.
17. From the data given below, compute variable overhead variance :

	Budget	Actual
Production	2,000 units	3,000 units
Variable Overhead	Rs. 8,000	Rs. 11,000

18. List two limitations of Marginal Costing.

(W.= 8x1= 8)



PART – C

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

- 19. Explain briefly the nature and purposes of accounting information.
- 20. Discuss limitations of financial statements.
- 21. Calculate operating profit ratio.

Net Sales	Rs. 12,00,000
Cost of Goods Sold	Rs. 8,00,000
Administrative Expenses	Rs. 70,000
Selling Expenses	Rs. 90,000

- 22. Calculate
 - a) Current Liabilities
 - b) Current assets
 - c) Liquid assets
 - d) Stock

From the following information given

Current Ratio	2.5
Liquid Ratio	1.5
Working Capital	Rs. 60,000

- 23. From the following information calculate cash from operations :

	Rs.
Net profit for the year 2014	80,000
Interest received in advance 1-1-14	5,000
Interest received in advance on 31-12-14	10,000
Expenses outstanding on 1-1-14	10,000
Expenses outstanding on 31-12-14	15,000

- 24. Find out break even point in units from the following information :

	Rs.
Fixed Cost	10,000
Variable Cost	30,000
Sales	50,000
Units sold	5,000 units



25. Prepare a flexible budget for the production at 80% and 100% activity on the basis of the following information

Production at 50% capacity	5,000 units
Raw materials	Rs. 30 per unit
Direct Labour	Rs. 20 per unit
Direct Expenses	Rs. 10 per unit
Factory Expenses	Rs. 40,000 (50% Fixed)
Administrative expenses	Rs. 80,000 (70% variable)

26. The standard cost for one unit of a product shows the following cost for Labour.

Labour : 10 hours @ Rs. 1.50 per kg.

5,800 units were produced during the year Labour 57,000 hrs @ Rs. 1.55 per kg.

Calculate appropriate Labour variances.

(W. 6×2=12)

PART – D

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

27. Calculate margin of safety in the following cases :

- Profit Rs. 40,000, P/V Ratio 25%.
- Sales 15,000 units, B.E.P. 12,000 units.
- Sales Rs. 10,00,000, Fixed Cost Rs. 2,00,000, P/V Ratio 40%.
- Sales Rs. 5,00,000, B.E.P. Rs. 6,00,000.

28. From the following two balance sheets as on 31st December 2013 and 14, you are required to prepare statement showing flow of funds.

31st December

Assets	2013	2014
Cash	30,000	47,000
Debtors	1,20,000	1,15,000
Stock-in-trade	80,000	90,000
Land	50,000	66,000
	2,80,000	3,18,000
Capital and Liabilities :		
Share Capital	2,00,000	2,50,000
Trade Creditors	70,000	45,000
Retained earnings	10,000	23,000
	2,80,000	3,18,000

29. What is standard costing ? Explain its advantages and limitations.

(W. 2×4=8)