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D.K.M. COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE-1

SEMESTER EXAMINATIONS

APRIL – 2016 CACO4A

ALLIED : MANAGEMENT ACCOUNTING

**Time : 3 Hours Max. Marks : 75**

**SECTION-A ( 10 x 2 = 20 )**

**Answer ALL the questions.**

1. Define Management Accounting.
2. What is Zero base budgeting?
3. Define fund.
4. What is Working Capital?
5. What is meant by cash flow statement?
6. What are current assets?
7. Define ratio analysis.
8. What is liquidity?
9. Define marginal costing.
10. What is angle of incidence?

**SECTION- B ( 5 x 5 = 25 )**

**Answer any FIVE of the following questions.**

1. Distinguish between management accounting and cost accounting.
2. What are the objectives of budgetary control?
3. Explain the importance of fund flow statement.
4. From the following data you are required to calculate the cash from operation.

Fund from operations for the year 1998 Rs.84,000. Current assets and liabilities as on 1-1-98 and 31-12-98 were as follows:

|  |  |  |
| --- | --- | --- |
|  | 1-1-98 | 31-12-98 |
| Trade Creditors | 1,82,000 | 1,94,000 |
| Trade Creditors | 2,75,000 | 3,15,000 |
| Bills receivable | 40,000 | 35,000 |
| Bills payable | 27,000 | 31,000 |
| Inventories | 1,85,000 | 1,70,000 |
| Trade investments | 40,000 | 70,000 |
| Outstanding expenses | 20,000 | 25,000 |
| Prepaid expenses | 5,000 | 8,000 |

1. You are given the following information.

|  |  |
| --- | --- |
|  | Rs. |
| Cash | 18,000 |
| Debtors | 1,42,000 |
| Closing Stock | 1,80,000 |
| Bills Payable | 27,000 |
| Creditors | 50,000 |
| Outstanding expenses | 15,000 |

Calculate a) Current ratio

b) Liquidity ratio.

1. From the following details of a trader, you are required to calculate stock turnover ratio.

|  |  |
| --- | --- |
|  | Rs. |
| Sales | 39,984 |
| Sales returns | 380 |
| Opening stock at cost | 1,378 |
| Closing stock at cost | 1,814 |
| Total gross profit for the year | 8,068 |

1. Vasanth Ltd. presents the following results for one year. Calculate the P/V Ratio, BEP

and Margin of safety.

|  |  |
| --- | --- |
|  | Rs. |
| Sales | 2,00,000 |
| Variable Cost | 1,20,000 |
| Fixed Cost | 50,000 |
| Net Profit | 30,000 |

1. From the following information

Total Fixed cost 4,500

Total Variable cost 7,500

Total Sales 15,000

Find out

a) P/V Ratio

b) Breakeven point

c) Profit.

**SECTION- C ( 3 x 10 = 30 )**

**Answer ALL the questions.**

1. a) What is budgetary control? List out its advantages.

(Or)

b) Draw up a flexible budget for production at 75 % and 100 % capacity on the basis of the

following data for a 50 % activity.

|  |  |
| --- | --- |
|  | Per unit (Rs.) |
| Materials | 100 |
| Labour | 50 |
| Variable expense (direct) | 10 |
| Administration expenses (50 % fixed) | 40,000 |
| Selling and distribution expenses (60 % fixed) | 50,000 |
| Present production (50 %) | 1,000 |

1. a) Calculate funds from operations from the information given below as on 31st March 2008.
2. Net profit for the year ended 31st March 2008 Rs.6,50,000
3. Gain on sale of building Rs.35,500
4. Good will appears in the books at Rs.1,80,000. Out of that 10 % has been written off during the year.
5. Old Machinery worth Rs.8,000 has been sold for Rs.6,500 during the year.
6. Rs.1,25,000 has been transferred to the general reserve fund.
7. Depreciation has been provided during the year on the machinery and furniture at

20 % whose total cost is Rs.6,50,000.

(Or)

b) Distinguish between fund flow and cash flow statement.

1. a) Given:

Current ratio = 2.8

Acid - test ratio = 1.5

Working Capital = Rs.1,62,000

Calculate

1) Current assets

2) Current liabilities.

1. Liquid assets
2. Stock.

(Or)

b) The Sales turnover and profit during two years were as follows.

|  |  |  |
| --- | --- | --- |
| Year | Sales | Profit |
| 2007 | 1,40,000 | 15,000 |
| 2008 | 1,60,000 | 20,000 |

Calculate

1. P/V Ratio
2. Break – even point
3. Sales required to earn a profit of Rs.40,000
4. Fixed expenses.

**\* \* \* \* \***