Reg.No :

D. K. M. COLLEGE FOR WOMEN (AUTONOMOUS), V

SEMESTER EXAMINATIONS

NOVEMBER - 2017

MANAGEMENT ACCOUNTING

Time : 3 Hours

SECTION – A (10 x 2 = 20)

Answer ALL the questions.

1. What is common size statement?
2. What is Trend Analysis?
3. What is operating ratio?
4. What is ratio analysis?
5. What are funds from operations?
6. What is cash flow statement?
7. Define flexible budget.
8. Explain two limitations of budgetary control.
9. Define capital budgeting.
10. Explain the meaning of current assets.

SECTION – B (5 x 5 = 25)

Answer any FIVE of the following questions.

11. Explain the Scope of Management Accounting.

12. From the following information show the results of operations of a manufac
percentages with 1987 as base year.

Amount in rupees

Particulars	1990	1989	198
Sales	1300	1200	95
Cost of goods sold	728	696	58
Gross Profit	572	504	36
Total selling expenses	120	110	9
Net Operating Profit	452	394	20

14. What is “Fund Flow Statement? Explain its various uses.

15. From the following Trading and Profit and Loss Account of Kaveri Ltd., you a
Cash from operations as per AS 3.

Trading and Profit & Loss A/C for the year ending 31

Particulars	Rs.	Particulars
To Cost of goods sold	2,40,000	By Sales
To Gross profit c/d	1,60,000	
	4,00,000	
To Stationery	6,000	By Gross Profit
To Depreciation	14,000	
To Salaries	20,000	
To Loss on sale of investment	2,000	
To Rent & Taxes	8,000	
To Discount on issue of debentures	4,000	
To Postage	3,000	
To Provision for tax	20,000	
To Proposed dividend	10,000	
To Net profit	73,000	
	1,60,000	

16. You are required to prepare a production budget for the half year ending Jun
information:

Product	Budgeted sales quantity	Actual stock on 31-12-99	Desire
	Units	Units	
S	20,000	4,000	
T	50,000	6,000	

SECTION – C (3 x 10 = 30)

Answer ALL the questions.

19. (a) The following are the balance sheets of 'X' Ltd., and 'Y' Ltd., as on 31st

position by preparing common size balance sheets.

Balance Sheet as on 31st March 2000

Liabilities	X Ltd., Rs.	Y Ltd., Rs.	Assets	X
Share Capital	25,00,000	40,000	Fixed assets	6
Reserve	10,00,000	60,000	Stock	2
10% Debentures	40,00,000	-	Debtors	5
Term Loans	60,00,000	10,000	Bills Receivable	1
Creditors	20,00,000	20,000	Cash at bank	2
Bills payable	5,00,000	10,000		
	1,60,00,000	1,40,000		1,6

(Or)

(b) From the following details, compute (1) Current assets, (2) Quick assets

Current liabilities	Rs.9,00,000
Current ratio	2.5
Acid test ratio	2
(without prepaid expenses)	

20. (a) Somu & Co., presents the following financial statement for the 1988 and

sources and application of funds statement.

Balance Sheet

Liabilities	Rs.	Rs.	Assets	
Bills Payable	4,52,000	6,28,000	Cash	
Creditors	8,36,000	12,54,000	Investment	

(b) From the following balance sheets of Ponni Ltd., make out the statemen

Balance Sheets

Liabilities	1989 Rs.	1990 Rs.	Assets
Equity share capital	3,00,000	4,00,000	Goodwill
8% Redeemable pref. Share capital	1,50,000	1,00,000	Land & Buildings
			Plant
General reserve	40,000	70,000	Debtors
P & L A/c	30,000	48,000	Stock
Proposed dividend	42,000	50,000	Bills receivable
Creditors	55,000	83,000	Cash in hand
Bills payable	20,000	16,000	Cash at bank
Provision for taxation	40,000	50,000	
	6,77,000	8,17,000	

Additional Information:

(a) Depreciation of Rs. 10,000 and Rs. 20,000 have been charged on p buildings account respectively in 1990.

(b) An interim dividend of Rs. 20,000 has been paid 1990.

(c) Income tax Rs. 35,000 was paid during the year 1990.

21. (a) Explain the importance of budgets.

(Or)

(b) A choice is to be made between two competing proposals which require Rs.50,000 and are expected to generate net cash flows as under.

End of Year	Project I	Project II
1	25,000	10,000
2	15,000	12,000
3	10,000	18,000
4	Nil	25,000
5	12,000	8,000
6	6,000	4,000

The cost of capital of the company is 10%. The following are the presen annum.