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(Pages : 4)

Reg. No.....

Name.....

**FIVE YEAR B.Com., LL.B. (HONOURS) DEGREE
EXAMINATION, APRIL 2024**

Fourth Semester

FC 10—MANAGEMENT ACCOUNTING

(2021 Admissions—Regular/2018 to 2020 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five questions.

Each question carries 3 marks.

1. What do you mean by Internal Analysis ?
2. Write notes on common size statements.
3. Specify the need for fund flow statement.
4. Narrate the relationship between Economics and Management Accounting.
5. Define capital gearing ratio.
6. Give two examples of each transaction which do not affect the flow of fluid.

(5 × 3 = 15 marks)

Part B

Answer any three questions.

Each question carries 10 marks.

7. Discuss the differences between Financial Accounting and Management Accounting.
8. Elucidate the tools and limitations of management accounting.

Turn over

9. Ramco Cements presents the following information and you are required to calculate funds from operations :

Profit and Loss Account

	Rs.		Rs.
To Operation Expenses	... 1,00,000	By Gross profit	... 2,00,000
Depreciation	... 40,000	Gain on sale of plant	... 20,000
Loss on sale of building	... 10,000		
Advertisement suspense account	... 5,000		
Discount allowed	... 500		
Discount on issue of shares written-off	... 500		
Goodwill written-off	... 12,000		
Net profit	... 52,000		
	<u>2,20,000</u>		<u>2,20,000</u>

10. From the following Balance Sheet, prepare comparative Balance Sheet of Sun Ltd. :

Particulars	Note No.	31st March, 2019 Rs.	31st March, 2018 Rs.
I. Equity and Liabilities			
1. Shareholder's Funds :			
(a) Share capital		3,50,000	3,00,000
2. Non-Current Liabilities :			
Long-term Borrowings		1,00,000	2,00,000
3. Current Liabilities :			
Trade Payables		1,50,000	1,00,000
Total		6,00,000	6,00,000

<i>Particulars</i>	<i>Note No.</i>	<i>31st March, 2019 Rs.</i>	<i>31st March, 2018 Rs.</i>
II. Assets :			
1. Non-Current Assets :			
Fixed Assets (Tangible)		4,00,000	3,00,000
2. Current Assets:			
Trade Receivables		2,00,000	3,00,000
Total		6,00,000	6,00,000

(3 × 10 = 30 marks)

Part C

*Answer any two questions.
Each question carries 15 marks.*

11. What do you mean by Financial analysis ? What are its objectives ? Also explain the procedure of financial analysis.
12. From the following information prepare :
 - (i) A schedule of changes in working capital.
 - (ii) A Funds Flow Statement.

Balance Sheet of M/s.....

<i>Liabilities</i>	<i>as on 31st March</i>		<i>Assets</i>	<i>as on 31st March</i>	
	2006	2007		2006	2007
Capital	18,50,000	21,00,000	Goodwill (at cost)	6,00,000	6,00,000
Profit/Loss	14,78,000	17,64,000	Buildings	18,50,000	22,00,000
Bank loan	12,00,000	90,00,000	Machinery	4,74,000	5,24,000
Bills Payable	4,00,000	6,80,000	Furniture	1,94,000	1,94,000
Creditors	14,00,000	12,20,000	Stock	8,26,000	7,24,000
(Taxation reserve)	2,00,000	1,80,000	Sundry Debtors	12,00,000	12,80,000
			Bills Receivables	8,00,000	7,21,000
			Bank	5,00,000	4,83,000
			Cash	84,000	1,18,000
Total	65,28,000	68,44,000	Total	65,28,000	68,44,000

Turn over

13. The following is the summarised Profit and Loss Account of Taj Products Ltd. for the year ended 31st December :

<i>Profit and Loss Account</i>			
	Rs.		Rs.
Opening stock of materials ...	99,500	Sales ...	8,50,000
Purchase of materials ...	3,20,000	Stock of materials (closing) ...	89,000
Direct Wages ...	2,25,250	Stock of Finished Goods (closing) ...	60,000
Manufacturing Expenses ...	14,250	Non-operating Income Interest ...	3,000
Selling and Distribution expenses ...	30,000	Profit on sale of shares ...	6,000
Administrative expenses ...	1,50,000		
Finance charges ...	15,000		
Non-operating expenses			
Loss on sale of assets ...	4,000		
Net profit ...	1,50,000		
	<u>10,08,000</u>		<u>10,08,000</u>

Work out the following ratios :—

- (1) Gross Profit Ratio.
- (2) Net Profit Ratio.
- (3) Operating Ratio.
- (4) Cost Ratios (to cost of production)
 - (i) Materials Consumed Ratio.
 - (ii) Labour Cost Ratio.
 - (iii) Production Overhead Cost Ratio.

(2 × 15 = 30 marks)