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Reg. No.................................

Name....................................

# FIVE YEAR B.Com., LL.B. (HONOURS) DEGREE EXAMINATION OCTOBER 2025

## Fourth Semester

## FC 10—MANAGEMENT ACCOUNTING

(2023 Admissions—Regular/2018 to 2022 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

### Part A

*Answer any* **five** *questions.*
*Each question carries* 3 *marks.*

1. Describe the functions of Management Accounting.
2. What is trend analysis ?
3. What do you understand by stock turnover ratio ?
4. What is meant by trading on equity ?
5. What do you mean by Funds from Operations ?
6. What are the advantages of Cash Flow Statement ?

(5 × 3 = 15 marks)

### Part B

*Answer any* **three** *questions.*
*Each question carries* 10 *marks.*

7. Discuss briefly the methods of Financial Statement Analysis.
8. Explain the procedure for preparing a Fund Flow Statement.
9. From the following details, find out :
   - i) Current Assets ;
   - ii) Current Liabilities ;
   - iii) Liquid Assets ; and
   - iv) Stock.

Turn over

Given : Current Ratio 2.5

Liquidity Ratio 1.5

Working Capital Rs. 60,000

10. From the following Balance Sheets of X Ltd. for the year ended on 31st December 2023 and 2024, prepare a statement showing Sources and Application of Funds.

**BALANCE SHEETS**

| Liabilities | 2023 Rs. | 2024 Rs. |
|---|---|---|
| Share Capital | 4,00,000 | 5,75,000 |
| Creditors | 1,06,000 | 70,000 |
| Profit and Loss A/c | 14,000 | 31,000 |
| | 5,20,000 | 6,76,000 |

| Assets | 2023 Rs. | 2024 Rs. |
|---|---|---|
| Plant | 75,000 | 1,00,000 |
| Stock | 1,21,000 | 1,36,000 |
| Debtors | 1,81,000 | 1,70,000 |
| Cash | 1,43,000 | 2,70,000 |
| | 5,20,000 | 6,76,000 |

(3 × 10 = 30 marks)

## Part C

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

11. The following is the Balance Sheet of a company as on 31st March :

| Liabilities | Rs. | Assets | Rs. |
|---|---|---|---|
| Share Capital | 2,00,000 | Land and Buildings | 1,40,000 |
| Profit and Loss A/c | 30,000 | Plant | 3,50,000 |

| Liabilities | Rs. | Assets | Rs. |
| --- | --- | --- | --- |
| General Reserve | 40,000 | Stock | 2,00,000 |
| 12 % Debentures | 4,20,000 | Debtors | 1,00,000 |
| Creditors | 1,00,000 | Bills Receivable | 10,000 |
| Bills payable | 50,000 | Cash at Bank | 40,000 |
| | 8,40,000 | | 8,40,000 |

Calculate :

i) Current Ratio ;

ii) Quick Ratio ;

iii) Inventory to working Capital ;

iv) Debt to Equity Ratio ;

v) Proprietary Ratio ; and

vi) Capital Gearing Ratio.

12. The Balance Sheets of T Ltd. for the years 2023 and 2024 were as follows :

**BALANCE SHEETS**

| Liabilities | 2023 (Rs.) | 2024 (Rs.) |
| --- | --- | --- |
| Share Capital | 1,50,000 | 1,75,000 |
| Loan from bank | 1,60,000 | 1,00,000 |
| Creditors | 85,000 | 93,000 |
| Outstanding expenses | 5,000 | 7,000 |
| Bills payable | 50,000 | 40,000 |
| Loan from IFC | — | 25,000 |
| | 4,50,000 | 4,40,000 |

| Assets | 2023 (Rs.) | 2024 (Rs.) |
|---|---|---|
| Buildings | 1,10,000 | 1,50,000 |
| Plant | 2,00,000 | 1,40,000 |
| Stock | 50,000 | 40,000 |
| Debtors | 70,000 | 80,000 |
| Cash | 15,000 | 22,000 |
| Prepaid expenses | 5,000 | 3,000 |
| | 4,50,000 | 4,40,000 |

Additional information :

i) Net profit for the year 2024 Rs. 60,000.

ii) During the year a plant costing Rs. 25,000 (accumulated depreciation Rs. 10,000) was sold for Rs. 13,000.

iii) The provision for depreciation against plant as on 31.12.2023 was Rs. 50,000 and on 31-12-2024 was Rs. 85,000.

You are required to prepare a Cash Flow Statement.

13. Define Management Accounting. How is Management Accounting different from Financial Accounting ?

(2 × 15 = 30 marks)