

F 4424

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Reg. No.....

Name.....

**FIVE YEAR B.Com., LL.B. (HONOURS) DEGREE EXAMINATION
OCTOBER 2023**

Fourth Semester

FC 10—MANAGEMENT ACCOUNTING

(2020 Admissions—Regular/2018, 2019 Admissions—Supplementary)

Time : Three Hours

Maximum : 75 Marks

Part A

Answer any five questions.

Each question carries 3 marks.

1. Define Management Accounting.
2. Distinguish between Horizontal and Vertical analysis.
3. Describe the concept of Fund from operation.
4. Narrate the limitations of ratio analysis.
5. What do you mean by Common size statement ?
6. How does management accounting differ from financial accounting ?

(5 × 3 = 15 marks)

Part B

Answer any three questions.

Each question carries 10 marks.

7. Discuss and illustrate the different types of financial statement analysis.
8. Elucidate the different tools and limitations of management accounting.
9. The income statement of a concern are given for the years ending on 31st December 2017 and 2018. Prepare a comparative income statement and interpret the changes.

Particulars		2017 (Rs.)	2018 (Rs.)
Sales	...	6,50,000	7,25,000
Cost of sales	...	4,25,000	5,00,000
Gross profit :	...	<u>2,25,000</u>	<u>2,25,000</u>

Turn over

Operating Expenses :

General expenses	...	25,000	40,000
Selling and distribution expenses	...	60,000	75,000
Total operating expenses	...	<u>85,000</u>	<u>1,15,000</u>
Net profit	...	<u>1,40,000</u>	<u>1,10,000</u>

10. From the following information, calculate cash flows from operating activities by indirect method.

<i>Particulars</i>	<i>March 31st 2018 (Rs.)</i>	<i>March 31st 2019 (Rs.)</i>
Balance of Profit and Loss Account	60,000	65,000
Debtors	87,000	40,000
Bills receivables	62,000	1,03,000
General reserve	2,02,000	2,37,000
Dividend equalisation fund	78,000	1,00,000
Salary outstanding	30,000	12,000
Wages prepaid	5,000	7,000
Goodwill	80,000	70,000

(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 examine the various tools available to the financial analyst.
12. Summarised Balance sheet of PQR Ltd. as on 31st March 2018 and 2019.

<i>Liabilities'</i>	2018	2019	<i>Assets</i>	2018	2019
Equity share capital	30,00,000	35,00,000	Good will	1,50,000	1,20,000
Share Premium	—	4,00,000	Building	19,00,000	18,00,000
14 % Debentures	8,00,000	4,00,000	Machinery	13,00,000	21,50,000
Reserves	1,50,000	2,10,000	Current Assets	20,10,000	20,00,000
Current liabilities	9,60,000	8,70,000			
Provision for tax	1,50,000	2,00,000			
Proposed dividend	3,00,000	4,90,000			
Total	53,60,000	60,70,000	Total	53,60,000	60,70,000

Additional information :

- (a) A machine which appeared at written-down value of Rs. 2, 20,000 was sold for Rs. 1, 80,000.
- (b) New machine costing Rs. 12,00,000 were installed during the year and
- (c) Taxes paid during the year amounted to Rs. 2,20,000.

Prepare a fund flow statement with the help of aforesaid balance sheets and information.

13. You are given the following information about two companies:

Particulars		Company A	Company B
Cash	...	180	140
Debtors	...	1,420	3,200
Inventory	...	1,800	5,400
Bills payable	...	270	1,000
Creditors	...	500	4,000
Accrued expenses	...	900	1,125

- (a) Calculate liquidity ratios of two companies.
- (b) Give your interpretation of the liquidity position of the two companies as revealed by the ratios.

(2 × 15 = 30 marks)