



SG – 445

VI Semester B.Com. Examination, September/October 2021  
(Repeaters) (2014-15 and Onwards)

COMMERCE

Paper – 6.4 : Management Accounting

Time : 3 Hours

Max. Marks : 100

**Instruction :** Answer should be written **completely** either in **English** or in **Kannada**.

SECTION – A

Answer **any 10** sub-questions. **Each** sub-question carries **2** marks : (10×2=20)

1. a) What do you mean by management accounting ?
- b) State any four functions of management accounting.
- c) What is a comparative statement ?
- d) State various types of analysis.
- e) What do you mean by cash and cash equivalents ?
- f) State any two differences between Fund Flow Statement and Cash Flow Statement.
- g) State any four components of current liabilities.
- h) What is trend analysis ?
- i) Give the meaning of ratio analysis.
- j) Given : current ratio is 3.5, working capital is Rs. 2,00,000. Calculate the amount of current assets and current liabilities.
- k) Gross profit is 20% on sales, cost of goods sold is Rs. 4,00,000. Find out sales.
- l) What is management reporting ?

SECTION – B

Answer **any 4** questions. **Each** question carries **8** marks : (4×8=32)

2. The profits of XYZ Co. Ltd., are declining year after year. As a management accountant of the company, draft a report to the management explaining the reasons for declining profits.

P.T.O.



3. From the following information, prepare a comparative Income Statement.

Particulars	31-3-2013	31-3-2014
	Rs.	Rs.
Sales	8,00,000	10,00,000
Cost of goods sold	4,80,000	6,00,000
Operating expenses :		
Administrative expenses	1,20,000	1,40,000
Selling and distribution expenses	50,000	60,000
Non-operating expenses :		
Interest paid	30,000	40,000
Income tax	20,000	30,000

4. The following is the trading and profit and loss A/C of a company Ltd.

Particulars	Rs.	Particulars	Rs.
To Opening stock	76,250	By Sales	5,00,000
" Purchases	3,22,250	" Closing stock	98,500
" Gross profit c/d	2,00,000		
	<b>5,98,500</b>		<b>5,98,500</b>
To Administration Expenses	98,000	By Gross Profit b/d	2,00,000
" Selling Expenses	22,000	" Dividend	9,000
" Loss on Sale of Assets	2,000	" Profit on Sale of Investment	3,000
" Net profit	90,000		
	<b>2,12,000</b>		<b>2,12,000</b>

Calculate the following :

- Gross profit ratio.
- Net profit ratio.
- Stock turnover ratio.
- Operating expenses ratio.



5. State with reasons whether the following transactions result in the increase or decrease of working capital or do not affect the working capital.
- a) A company issued 20,000 shares of Rs. 10 each.
  - b) Fixed assets Rs. 1,00,000 sold.
  - c) Debentures of Rs. 3,00,000 are converted into equity shares.
  - d) Cash paid to creditors Rs. 20,000.
6. From the following you are required to find out cash generated from operations under indirect method.

Particulars	2013	2014
	Rs.	Rs.
Debtors	1,30,000	1,00,000
Creditors	60,000	80,000
Stock	90,000	1,00,000
B/R	40,000	55,000
B/P	25,000	10,000

- a) The balance of profit at the beginning of the year Rs. 1,50,000 and at the end of the year Rs. 2,80,000.
- b) Preliminary expenses written off Rs. 6,000.
- c) Depreciation on plant Rs. 18,000.

SECTION – C

Answer **any 3** questions. **Each** question carries **16** marks : **(3×16=48)**

7. From the following Balance Sheets of Ajay Company Ltd., and Vijay Company Ltd., as on 31-3-2014. You are required to prepare common-size Balance Sheet and comment.

Liabilities	Ajay Ltd.	Vijay Ltd.	Assets	Ajay Ltd.	Vijay Ltd.
	Rs.	Rs.		Rs.	Rs.
Equity share capital	2,50,000	1,70,000	Land and Building	3,50,000	2,75,000



10% preference share capital	1,20,000	80,000	Plant and machinery	2,70,000	3,00,000
Reserves and surplus	50,000	70,000	Investments	72,000	12,000
12% Debentures	3,50,000	2,79,000	Debtors	47,500	25,000
Bills payable	25,000	14,000	Prepaid Expenses	35,400	-
Creditors	18,000	8,000	Cash at bank	48,690	21,000
O/S Expenses	10,590	12,000			
	<b>8,23,590</b>	<b>6,33,000</b>		<b>8,23,590</b>	<b>6,33,000</b>

8. Using the following data draft the Balance Sheet.

Gross profit (20% on sales)	=	Rs. 60,000
Share capital	=	Rs. 50,000
Credit sales to total sales	=	80%
Stock turnover ratio (cost of sales/closing stock)	=	8 Times
Total Assets turnover ratio (sales/total assets)	=	3 Times
Average collection period (360 days in a year)	=	18 days
Current Ratio	=	1.6 : 1
Long term debt to equity	=	40%
Current liabilities consist creditors and bills payable in the ratio of 2 : 1.		

9. From the following Balance Sheets of PQR company Ltd., as on 31-3-2014 and 31-3-2015, you are required to prepare

- Statement of changes in working capital and
- Fund Flow Statement.

Liabilities	31-3-2014	31-3-2015	Assets	31-3-2014	31-3-2015
	Rs.	Rs.		Rs.	Rs.
Equity share capital	2,00,000	2,50,000	Land and Building	2,00,000	2,40,000
General Reserve	40,000	70,000	Plant and machinery	1,80,000	1,30,000



P & L a/c	32,000	39,000	Stock	1,00,000	1,26,000
Long term loan	1,60,000	40,000	Debtors	80,000	64,000
Creditors	1,20,000	1,10,000	Bank	52,000	9,000
Bills payable	30,000	20,000			
Provision for taxation	30,000	40,000			
	<b>6,12,000</b>	<b>5,69,000</b>		<b>6,12,000</b>	<b>5,69,000</b>

**Additional Information :**

- Income Tax paid during the year Rs. 35,000.
- Depreciation written off – plant and machinery Rs. 12,000 and Land and Building Rs. 22,500.
- Assets of another company were purchased for a consideration of Rs. 50,000 payable by issue of shares and assets include Land and Building Rs. 25,000 and Stock Rs. 25,000.
- During the year 31-3-2015, dividend of Rs. 42,000 was paid.

10. The Balance Sheets of a company for the year ending 31-3-2014 and 31-3-2015 are as follows :

Liabilities	31-3-2014	31-3-2015	Assets	31-3-2014	31-3-2015
	Rs.	Rs.		Rs.	Rs.
Equity share capital	15,00,000	17,00,000	Land and Building	18,10,000	19,90,000
P & L a/c	1,50,000	1,75,000	Stock	23,000	55,000
General Reserve	50,000	70,000	Debtors	40,000	33,000
Provision for taxation	30,000	25,000	Cash	39,000	47,000
Loan (long term)	2,00,000	1,50,000	Salary paid in advance	19,000	15,000
Sundry creditors	32,000	44,000	Rent paid in advance	14,000	20,000