M. COM. DEGREE (C.S.S.) EXAMINATION, APRIL 2017
(Supplementary – 2015 Admission)
SEMESTER III - COMMERCE
C03C11TM - MANAGEMENT ACCOUNTING

Time: Three Hours   **Maximum Marks: 75**

PART A

I.   Answer any five questions, each question carries 3 marks

1.   Write any 2 difference between Fund flow and Balance sheet.
2.   Given: Current ratio= 2.5, working capital=90,000. Find out: a) Current Assets
     b) Current Liabilities.
3.   Write any four functions of management accounting.
4.   What do you mean by CPP technique of price level accounting?
5.   Define Management Accounting .
6.   Explain the meaning of the term financial statements.
7.   Explain the objectives of financial analysis.

                                                                    (5x3=15)

PART B

II.   Answer any six questions, each question carries 5 marks

8.   Calculate the working capital from the following.

Particulars	31.03.2006 Rs.	31.03.2007 Rs.
Sundry Debtors	40,000	60,000
Sundry Creditors	30,000	35,000
Bank overdraft	7,000	5,000
Outstanding Expenses	11,000	9,000
Outstanding income	5,000	7,000
Expense paid in advance	4,000	6,000
Income received in advance	8,000	3,000
Stock	10,000	12,000
Cash	14,000	20,000

9.   From the following information for the year ended 31st dec 2004: Find out 1) Inventory
     turnover when gross profit ratio is 20% 2). Inventory conversion period. Credit sales:
     Rs. 1,50,000; Cash sales:Rs.2,50,000;Return inward: Rs.25,000;Opening
     stock:Rs.25,000; Closing stock Rs. 35,000.

10. Explain the limitations of Financial accounting.

11. 'Cost accounting helps the management in carrying out its functions'-Elucidate the
     statement.

12. Prepare Comparative Income Statement for the years 2003 and 2004.

    Profit and Loss Account years ended 31st December

Particulars	2003 Rs.	2004 Rs.	Particulars	2003	2004
To Cost of goods sold	600	750	By Net Sales	800	1,000
To Administrative exp.	20	20			
To Selling expenses	30	40			
To Net Profit	150	190			
	800	1,000		800	1,000

13. Calculate MWCA from the following

	1st April 2006 Rs.	1st April 2007 Rs.
S. Debtors.	2,40,000	3,50,000
S. Creditors	90,000	1,00,00
Index Number	100	140
Average Index Number		120

14. Compute the return on capital employed [total assets basis] from the following
    information relating to companies X and Y.

	Company X	Company Y
Net sales for the year	Rs. 2,75,000	?
Total Assets	?	Rs.42,500
Net profit on sales	4%	19%
Turnover of Total Assets	6 times	?
Gross Margin	38%	Rs.4,680 [25%]

15. What do you mean by Cash Flow Statement? State the various objectives of Cash flow
    statement.

16. Explain the requisites of a good report.

(6x5=30)

PART C

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

17. Explain the various methods of financial analysis.
18. Explain price level accounting bringing out its merits and demerits.

19. Balance sheets of M/s Black and White as on 1.1.2008 and 31.12.2008 were as follows:

Liabilities	1.1.2008 Rs.	31.12.2008 Rs.	Assets	1.1.2008 Rs.	31.12.2008 Rs.
Creditors	40,000	44,000	Cash	10,000	7,000
Mr. White's Loan	25,000	……	Debtors	30,000	50,000
			Stock	35,000	25,000
Loan from P.N Bank	40,000	50,000	Machinery	80,000	55,000
			Land	40,000	50,000
	1,25,000	1,53,000	Building	35,000	60,000
Capital					
	2,30,000	2,47,000		2,30,000	2,47,000

During the year machine costing Rs. 10,000[accumulated depreciation Rs.3, 000] was sold for Rs.5, 000. The provision for depreciation against machinery as on 1.1.2008 was Rs. 25,000 and on 31.12.2008 Rs.40,000. Net profit for the year 2008 amounted to Rs.45,000. You are required to prepare fund flow statement.

20. With help of the following ratios regarding Indu Films, draw the Balance Sheet of the Company for the year ended 2015.

Current Ratio	2.5
Liquidity Ratio	1.5
Net Working Capital	Rs. 3,00,000
Stock Turnover Ratio[cost of sales/closing stock]	6 times
Gross profit ratio	20%
Fixed Assets Turnover Ratio on cost of sales	2 times
Debt collection period	2 months
Fixed assets to Shareholders wealth	0.80
Reserves and Surplus to Capital	0.50

(2x15=30)