

**B. Com. DEGREE (C.B.C.S.) EXAMINATION, MARCH 2023**  
**(2020 Admission Regular, 2019, 2018 Admissions Supplementary)**  
**SEMESTER VI - CORE COURSE (COMMERCE)**  
**(B. Com Finance & Taxation and Capital Market)**  
**CO6B23B18 - MANAGEMENT ACCOUNTING**

Time : 3 Hours

Maximum Marks : 80

**Part A****I. Answer any Ten questions. Each question carries 2 marks****(10x2=20)**

1. Why is cost accounting necessary in organisations?
2. Point any two difference between management accounting and cost accounting.
3. Prepare a short note on the statement of profit and loss.
4. What is horizontal analysis? Give an example.
5. Explain briefly Price earning ratio.
6. Explain the meaning of current liabilities.
7. Explain briefly liquid assets.
8. What is creditors turnover ratio?
9. Mr A is entrusted by the management to prepare the schedule of changes in working capital. He wants to know as to why this statement is prepared. Comment.
10. Explain the relationship of Current assets and Current liabilities with Working Capital.
11. Define cash flow statement
12. Explain financing activities.

**Part B****II. Answer any Six questions. Each question carries 5 marks****(6x5=30)**

13. Enlist the functions of cost accounting.
14. Explain the different tools and techniques of financial statement analysis.
15. Prepare Comparative Income Statement from the following information.

	2019 (In Rs.)	2020 (In Rs.)
Net Sales	7,85,000	9,00,000
Cost of goods sold	4,50,000	5,00,000
Operating expense:		
Administrative expense	70,000	72,000
Selling expense	80,000	90,000
Non - operating expense:		
Interest paid	25,000	30,000
Income tax paid	70,000	80,000

16. Calculate trend percentage from the extracts of income statement by taking 2017 as base year. Figures are given in thousands (In Rs.).

Particulars	2017	2018	2019	2020

Revenue from operations	300	400	450	550
Other income	50	68	80	88
Cost of materials consumed	100	150	215	450
Profit before tax	230	300	300	163
Other expenses	20	18	15	25

17. Distinguish between current ratio and quick ratio.

18. Cost of revenue from operations	Rs. 3,00,000
Inventory Turnover Ratio	6 Times

Find out the value of opening inventory, if the opening inventory is Rs.10,000 less than the closing inventory.

19. List down the advantages of Fund Flow Statement.

20. Calculate the amount of Dividend and Income Tax paid during 2019 from the following:

Particulars	31.12.2018 (Rs.)	31.12.2019 (Rs.)
Provision for tax	1,35,000	1,60,000
Proposed Dividend	80,000	1,00,000

The Profit and Loss account of 2019 was debited with Rs. 1,20,000 for provision for tax. Rs. 85,000 for proposed dividend was also debited to the Profit and Loss Appropriation account.

21. From the following calculate cash flow from financing activities.

Issue of shares	Rs.15,00,000
Issue of debentures	Rs. 3,00,000
Purchase of machinery	Rs.1,00,000
Dividend paid	Rs. 1,00,000
Sale of investment	Rs. 50,000

### Part C

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

(2x15=30)

22. Explain the functions of management accounting.

23. From the following particulars, prepare Balance sheet:

Sales to Networth	5 Times
Current Liabilities to Networth	50%
Total debt to Networth	60%
Fixed Assets to Networth	60%
Current Ratio	2:1
Sales to Stock	10 Times
Debtors Velocity	9 Times
Annual Sales	Rs. 15,00,000
Credit sales to Total sales	60%

24. From the following Balance Sheets of E Ltd., you are required to prepare:

- A Schedule of Changes in Working Capital
- A Fund Flow Statement.

Liabilities	2018 (Rs.)	2019 (Rs.)	Assets	2018 (Rs.)	2019 (Rs.)

Equity Share Capital	2,40,000	3,60,000	Land	1,66,200	3,39,600
Securities Premium	24,000	36,000	Plant	1,06,800	1,53,900
General Reserve	18,000	27,000	Furniture	7,200	4,500
Profit and Loss account	58,500	62,400	Stock	66,300	78,000
8% Debentures	0	78,000	Debtors	1,09,500	1,17,300
Provision for tax	29,400	32,700	Cash at Bank	20,000	30,000
Proposed Dividend	20,000	30,000	Cash in hand	14,400	12,000
Creditors	1,00,500	1,09,200			
	4,90,400	7,35,300		4,90,400	7,35,300

Depreciation written off during the year:

On Machinery Rs. 38,400

On Furniture Rs. 1,200

25. From the following balance sheets of Ganesh Mills Ltd as on 31.3.2018 and 2019, prepare a cash flow Statement.

Particulars	Note no.	31.3.2018	31.3.2019
I. Equity and liabilities			
Share capital		45,000	65,000
Reserves and surplus			
General reserve		15,000	27,500
Profit and loss		10,000	15,000
Current liabilities			
Trade payables		8,700	11,000
<b>Total</b>		<b>78,700</b>	<b>1,18,500</b>
II. Assets			
Fixed assets		46,700	83,000
Current assets			
Inventory		11,000	13,000
Trade receivables		19,000	20,000
Cash at bank		2,000	2,500
		<b>78,700</b>	<b>1,18,500</b>

Additional information:

- 1) Depreciation on fixed assets for the year 2018-19 was Rs.14,700
- 2) An interim dividend of Rs.7,000 has been paid to the shareholders during the year.