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TD241145D

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

Name:....................................

DIPLOMA EXAMINATION, NOVEMBER 2024

(2024 Admission Regular)

SEMESTER I – SKILL COURSE

DIPLOMA PROFESSIONAL ACCOUNTING AND TAXATION

VPA1S03D24 : MANAGEMENT ACCOUNTING

Time 3 Hrs

Max Marks 60

PART – A

I. Answer all questions. Each carries 1 mark

A. Choose the correct answer from the following options.

1. Cash budget is a combination of
   a. Assets & Liabilities
   b. Receipts & Payments
   c. Investments & loans
   d. None of the above
2. Dividend Per Share ratio is part of
   a. Profitability ratio
   b. Short term solvency ratio
   c. Overall profitability ratio
   d. Turnover ratio
3. Debt Equity ratios show the relationship between share holders fund and
   a. Short term debt
   b. Long term debt
   c. Current liability
   d. Total assets
4. Ideal current ratio is
   a. 2 : 1
   b. 1 : 2
   c. 1 : 1
   d. 1 : 4
5. In Cash Flow statement office expenses paid are shown in
   a. Cash flow from investing activities
   b. Cash flow from operating activities
   c. Cash flow from financing activities
   d. None of the above

B. Match the following

6. Long term solvency - A. Quick asset
7. Liquid ratio - B. Receipts & Payments

8.	Cash budget	-	C. Debt equity ratio
9.	Current assets	-	D. Sales or profit
10.	Trend analysis	-	E. Current liability

C. True | False.

11. Expense Ratio is a part of Profitability Ratio.
12. Window dressing is a limitation of Trend analysis.
13. Debtors turnover ratio is expressed in times.
14. Ratio analysis considers only quantitative data.
15. Net cash from operations is computed in Fund Flow statement.

D. Fill in the blanks with correct word.

16. Gross profit divided by ____________ gives you Gross Profit ratio.
17. For different level of production ______________ budget is prepared.
18. Debtors collection period can be computed using ______________ turnover ratio.
19. Profitability ratios are expressed in ________________.
20. ________________ is the starting point of cash budget.

(20x1=20)

PART B

II. Answer any 5 questions. Each question carries 2 marks.

21. What are the different classifications of budgets?
22. Explain the types of Short-term liquidity ratios.
23. Write 4 tools used in Management Accounting to analyse the financial positions.
24. Write any 4 limitations of ratio analysis.
25. How is Interest Coverage ratio calculated?
26. Find out trend % for the following

	2012	2013	2014	2015	2016
Sales in Lakhs	400	320	480	500	620

27. Write any 4 advantages of Management Accounting.

(5x2) = 10

PART C

III. Answer any four questions. Each question carries 5 marks.

28. Compute Debt equity ratio.

Long term loans	-	200,000
Debentures	-	600,000
Share Capital	-	700,000
Reserves	-	50,000

29. What are the characteristics of Good Budget?
30. Differentiate between Fixed Budget and Flexible Budget.

31. Compute Debtors turnover ratio & debtors collection period (1 year = 360 days)

opening debtors	-	600,000
closing debtors	-	600,000
Net credit sales	-	20,00,000

32. Write the advantages of Ratio analysis to the management.

33. Write the difference between Budget & Forecast (any 6).

(4x5=20)

PART D

IV. Answer any one from the following questions. Each carry 10 marks

34. During FY 2015 – 16 Product X had sale of 30,000 kg in North Kerala and 20,000 kg in South Kerala. Price per kg 800/-. Whereas for Product Y it was 12000 kg in North Kerala and 15000 kg in South Kerala. Price per kg 600.
Next year 2016-17 sales of product X will increase by 20% in both the areas South Kerala and North Kerala. Price being the same.
For product Y sales will remain constant in both North & South Kerala. Price will increase by 10%.
Prepare Sales Budget for 2016 – 17.

35. Prepare Comparative Balance Sheet.

	31.03.2016	31.03.2017
Share Capital	500,000	10,00,000
Reserves	300,000	200,000
Loans	500,000	800,000
Creditors	200,000	400,000
Fixed assets	800,000	14,00,000
Current assets	200,000	300,000
Inventories	400,000	500,000
Cash & Bank	100,000	200,000

(1x10=10)