

**BACHELOR'S DEGREE (C.B.C.S) EXAMINATION, MARCH 2025****2018, 2019, 2020, 2021 ADMISSIONS SUPPLEMENTARY****SEMESTER VI - CORE COURSE (COMMERCE )****CO6B23B18 - Management Accounting****Time : 3 Hours****Maximum Marks : 80****Part A****I. Answer any Ten questions. Each question carries 2 marks****(10x2=20)**

1. "Management accounting is a vital branch of accounting". Explain.
2. Prepare a brief note on cash flow analysis.
3. Explain vertical analysis.
4. Distinguish between inter firm analysis and intra firm analysis.
5. What is stock velocity?
6. What is debtors turnover ratio?
7. Explain the meaning of current liabilities.
8. What are current assets?
9. Explain the relationship of Current assets and Current liabilities with Working Capital.
10. Explain the concept of 'Fund from Operations'.
11. Point out the objectives for preparing cash flow statement.
12. Give two examples for cash inflow from investing activities.

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

13. List the objectives of financial accounting.
14. What are the major drawbacks of financial statement analysis?
15. From the following prepare Common size Income statement (In Rs).

Particulars	2019	2020
Revenue from operations	10,00,000	20,00,000
Other income	50,000	10,00,000
Tax	1,00,000	4,00,000
Depreciation	1,00,000	3,00,000
Cost of materials consumed	5,00,000	12,00,000
Employee benefit expense	2,00,000	5,00,000

16. From the following information, prepare Comparative statement of profit and loss (In Rs).

Particulars	31.3.2019	31.3.2020
Revenue from operations	9,00,000	10,00,000
Cost of materials consumed	2,00,000	4,00,000
Other incomes	50,000	1,00,000
Financial cost	20,000	10,000
Change in inventories	80,000	60,000
Employee benefit expenses	15,000	5,000

Purchase of stock in trade	1,00,000	2,00,000
Income tax	70,000	60,000

17. State the significance of ratio analysis.
18. From the following information, calculate Earnings Per Share, Price Earning Ratio, Dividend Yield Ratio, Dividend Payout Ratio.

Net profit before tax	Rs. 1,44,000
Tax rate	50%
20,000 Equity shares of Rs.10 each	Rs. 2,00,000
12% Preference share capital	Rs. 1,00,000
Market price of Equity share	Rs. 36

Dividend is declared at 20%.

19. List down the advantages of Fund Flow Statement.
20. Indicate which of the following transactions would result in (a) a source (b) an application (c) neither a source nor an application along with the journal entries.
- Cash collected from Debtors
  - Shares issued for cash
  - Redemption of Preference shares
  - Debentures converted into equity shares
  - Redemption of debentures.
21. Calculate cash flow from investing activities.
- Issue of shares      Rs.10,00,000
- Sale of land          Rs.5,00,000
- Sale of furniture      Rs. 1,00,000
- Dividend received      Rs.50,000
- Purchase of machinery   Rs.30,000

### Part C

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

(2x15=30)

22. Explain the scope of management accounting.
23. From the following particulars, prepare Balance sheet:

Sales to Network	5 Times
Current Liabilities to Network	50%
Total debt to Network	60%
Fixed Assets to Network	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. Following are the summarised Balance sheets of N Ltd. as on 31.12.2018 and 31.12.2019.

Particulars	2018 (Rs.)	2019 (Rs.)
Share Capital	6,00,000	7,00,000
General Reserve	4,00,000	4,20,000
Profit and Loss	1,00,000	1,20,000

Loan from SBI (Long term)	0	1,60,000
Provision for tax	75,000	40,000
Trade Payables	2,00,000	1,60,000
<b>Total</b>	<b>13,75,000</b>	<b>16,00,000</b>
Fixed Assets	5,00,000	4,00,000
Non current Investments	50,000	80,000
Inventories	3,00,000	5,00,000
Trade Receivables	4,50,000	6,00,000
Cash at bank	75,000	20,000
<b>Total</b>	<b>13,75,000</b>	<b>16,00,000</b>

Additional Information:

- Investments costing Rs. 20,000 were sold during the year 2019 for Rs. 22,000.
- Provision for tax made during the year Rs. 15,000
- During 2019, a part of fixed asset costing Rs. 25,000 was sold for Rs. 30,000. The profit on sale was credited to the Profit and Loss Account.
- Dividend paid during the year 2019 amounted to Rs. 40,000.

Prepare a) A Schedule of Changes in Working Capital and b) A Fund Flow Statement.

25. From the Balance sheets of M/S Tom and Jerry for 2018 and 2019, prepare a cash flow statement.

<b>Liabilities</b>	<b>2018</b>	<b>2019</b>	<b>Assets</b>	<b>2018</b>	<b>2019</b>
Sundry creditors	50,000	72,000	Cash at bank	5,000	44,000
Loan from bank	40,000	10,000	sundry debtors	25,000	20,000
Capital	1,00,000	1,60,000	stock	20,000	22,000
			Machinery	1,00,000	86,000
			Land and Buildings	40,000	70,000
	<b>1,90,000</b>	<b>2,42,000</b>		<b>1,90,000</b>	<b>2,42,000</b>

Additional information:

- During the year the partners withdrew Rs.2,000 per month for their personal use.
- A machinery costing Rs.40,000 ( Accumulated depreciation Rs.15,000) was sold for Rs.16,000.
- Depreciation on machinery charged during the year Rs.20,000.
- Interest on loan paid during the year was Rs.4,000.