



QP CODE: 25020598

Reg No :

B.COM DEGREE (CBCS) REGULAR / REAPPEARANCE / MERCY CHANCE EXAMINATIONS, FEBRUARY 2025

Sixth Semester

CORE - CO6CRT20 - MANAGEMENT ACCOUNTING

(Common to all B.Com Degree Programmes)

2017 Admission Onwards

D930488E

Time: 3 Hours Max. Marks: 80

Instructions to Private candidates only: This question paper contains two sections. Answer SECTION I questions in the answer-book provided. SECTION II, Internal Examination questions must be answered in the question paper itself. Follow the detailed instructions given under SECTION II.

Part A

Answer any **ten** questions.

Each question carries **2** marks.

- 1. Distinguish between Management Accounting and Financial Accounting? (Any Two Points)
- 2. What is Budgetary Control?
- 3. List the objectives of Financial Statements.
- 4. Write a short note on Inter-firm Analysis.
- 5. Write a note on Secondary ratios.
- 6. Calculate Current Assets and Working Capital, if Current Ratio is 2.5 and Current Liability is Rs.20,000.
- 7. What is Stock Turnover Ratio?
- 8. What is Preference share Dividend Cover?
- 9. How will you treat appropriation of retained earnings and loss on sale of non-current assets while determining Funds from Operations?
- 10. State the treament of provision for taxation while preparing the Funds Flow Statement.
- 11. What is meant by Cash Infow? Give an example.
- 12. GSC Ltd. purchased a building for Rs.25,00,000 and paid the consideration by the issue of Equity Shares. Ajas, the accountant, has prepared the cash flow statement and has shown



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the transaction as follows;

Investing Activities: Purchase of Building Rs.25,00,000 Financing Activities: Issue of Equity Shares Rs.25,00,000 Do you think that it is in accordance with per AS - 3?

 $(10 \times 2 = 20)$

Part B

Answer any **six** questions.

Each question carries **5** marks.

- 13. State the limitations of financial accounting and point out how management accounting helps in overcoming them.
- 14. Explain the limitations of Financial Statement Analysis.
- 15. Prepare a Common Size Statement of Profit and Loss of H Ltd from the following information.

Particulars	31-03-2019
Revenue From Operations	3,20,000
Cost of materials consumed	1,44,000
Employee Benefit Expenses	32,000
Depreciation	24,000
Other Expenses	5 % of Revenue
Other Expenses	from operations
Income Tax	40%

- 16. Explain the advantages of Ratio Analysis.
- 17. The Balance Sheet of Alakapuri Ltd. as on 31.03.2019 is given below:

Balance Sheet

Particulars	Note No	. Amount
I. EQUITY & LIABILITIES		
(1) Shareholder's Fund		
(a) Share capital		3,00,000
(b) Reserves & Surplus (P & L a/c)		40,000
(2) Non-Current Liabilities	1	
Long term borrowings (8% debentures)		1,00,000
(3) Current Liabilities		90,000
Total		5,30,000
II. ASSETS		
(1) Non- Current Assets:		3,60,000
Fixed Assets		0,00,000
(2) Current assets:		50,000





(a) Inventories (Stock) 1,16,000 (b) Trade Receivables (Debtors) 4,000

© Cash & Cash Equivalents (Bank Balance)

Total 5,30,000

Notes to Account

Particulars Amount

1. Share Capital:

Equity share capital 2,00,000 4% Preference share capital 1,00,000 Total 3,00,000

Calculate:

- (1) Debt Equity ratio
- (2) Proprietory ratio
- (3) Fixed Assets to Net worth Ratio
- (4) Capital Gearing Ratio
- 18. What is 'Funds Flow Statement'? Examine its managerial uses.
- 19. Explain the procedure for the preparation of Schedule of Changes in Working capital.
- 20. The following is the position of Current Assets and Current Liabilities of Y Ltd.

31st March 2019 31st March 2020

PARTICULARS (Rs) (Rs)

Provision for doubtful debts 1,000

 Trade Receivables
 10,000
 19,000

 Creditors
 15,000
 10,000

 Bills Payable
 20,000
 40,000

The Company incurred a loss of Rs.45,000 during the year. Calculate Cash Flow from Operating activities.

21. From the following information, calculate Cash Flow from Financing Activities:

31st March 2020 31st March 2019

Particulars (Rs.) (Rs.)

 Equity Share Capital
 5,00,000
 4,00,000

 10% Debentures
 1,00,000
 1,50,000

 Securities Premium Reserve 50,000
 40,000

 Bank Overdraft
 2,00,000
 1,50,000

 Interest on Bank Overdraft
 15,000
 10,000





Additional Information : Interest Paid on Debentures Rs.10,000.

 $(6 \times 5 = 30)$

Part C

Answer any two questions.

Each question carries 15 marks.

22. From the following Balance Sheet of RS Ltd as at 31 st March 2019, prepare a Common Size Balance Sheet.

Common Size Balance Sneet.	
	31-03-
	2019
I. Equity and Liabilities:	
1. Share Holder's Fund	
a) Share Capital	3,60,000
b) Preference Share Capital	2,00,000
c) Profit and Loss Account	1,51,800
d) General Reserve	78,000
2. Non-Current Liabilities	
a) 10% Debentures	4,50,000
b) Long Term Borrowings	7,80,000
c) Accumulated	1 20 000
Depreciation on Building	1,20,000
d) Long Term Provisions	2,15,000
3. Current Liabilities	
a) Income Tax Payable	12,000
b) Outstanding Expenses	24,000
c) Trade Creditors	2,40,000
Total	26,30,800
II. Assets:	
1. Non-Current Assets	
a) Fixed: Tangible Assets	
i) Land	11,20,000
ii) Buildings and Equipment	3,60,000
b) Fixed: Intangible Assets	
i) Goodwill	3,75,000
ii) Trade Marks	3,75,000 1,25,000
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2. Current Assets		
i) Stock		2,64,000
ii) Debtors		1,68,000
iii) Sundry Advances		1,07,800
iv) Cash at Bank		1,01,000
v) Cash in Hand		10,000
	Total	26,30,800

23. Assume that a firm has owner's equity of Rs. 1,00,000. The ratios for the firm are:

Current Debt to Total Debt 0.40

Total Debt to Owner's Equity 0.60

Fixed Assets to Owner's Equity 0.60

Total Assets Turnover 2 Times

Inventory Turnover 8 Times

Complete the following Balance Sheet, given the information above.

Liabilities	Amount	Asset	Amount
Current Debt		Cash	
Long term Debt		Inventory	
Total Debt		Total Current Assets	
Owner's Equity		Fixed Assets	
Total Equity		Total Assets	

24. Prepare Funds Flow Statement from the following.

		Rs. in '000	
		31-03-2018	31-03-2019
I. Equity and Liabilities:			
1. Share Holder's Fund			
a) Share Capital		1,400	1,740
b) Reserves and Surplus		600	680
2. Non-Current Liabilities			
a) Debentures		880	880
3. Current Liabilities			
a) Sundry Creditors		1,200	1,280
	Total	4,080	4,580
II. Assets:			
1. Non-Current Assets			
a) Fixed: Tangible Assets			
i) Land		800	600



ii) Plant		560	668
b) Fixed: Intangible Assets			
i) Patents		40	36
ii) Discount on Debentures		80	72
2. Current Assets			
i) Stock		600	688
ii) Debtors		400	740
iii) Cash		1,600	1,776
	Total	4,080	4,580

25. From the following Balance Sheets , Prepare Cash Flow Statement :

Particulars Note No. 31st March 2019 (Rs.) 31st March 2018 (Rs.)

I. EQUITY AND LIABILITIES

1 Shareholder's Funds

(a) Share Capital 2,50,000 2,00,000 (b) Reserves and Surplus 1 90,600 80,500 2. Non - Current Liabilities Long Term Borrowings 70,000 3. Current Liabilities 70,000 (a) Short Term Borrowings : Bank Loan 70,000 (b) Trade Payables 1,35,200 1,50,000 (c) Provision for tax 35,000 30,000 TOTAL 5,10,800 5,30,500 II. ASSETS 1. Non- Current Assets 2 3,59,000 3,50,000 (ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2 3,59,000 (b) Non- Current Investments 2 2,000 (b) Non- Current Investments 2 2,000 (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 <td< th=""><th>1. Shareholder's Funds</th><th></th><th></th><th></th></td<>	1. Shareholder's Funds			
2. Non - Current Liabilities Long Term Borrowings 70,000 3. Current Liabilities 70,000 (a) Short Term Borrowings : Bank Loan 70,000 (b)Trade Payables 1,35,200 1,50,000 (c) Provision for tax 35,000 30,000 TOTAL 5,10,800 5,30,500 II. ASSETS 1. Non- Current Assets (a) Fixed Assets 2 3,59,000 3,50,000 (ii) Tangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2 2,000 3,50,000 (b) Non- Current Investments 2 2,000 3,50,000 (b) Inventories 74,000 1,00,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	(a) Share Capital		2,50,000	2,00,000
Long Term Borrowings 3. Current Liabilities	(b) Reserves and Surplus	1	90,600	80,500
3. Current Liabilities (a) Short Term Borrowings : Bank Loan 70,000 (b)Trade Payables 1,35,200 1,50,000 (c) Provision for tax 35,000 30,000 TOTAL 5,10,800 5,30,500 II. ASSETS 1. Non- Current Assets (a) Fixed Assets (i) Tangible Assets 2 3,59,000 3,50,000 (ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	2. Non - Current Liabilities			
(a) Short Term Borrowings : Bank Loan 70,000 (b)Trade Payables 1,35,200 1,50,000 (c) Provision for tax 35,000 30,000 TOTAL 5,10,800 5,30,500 II. ASSETS 1. Non- Current Assets (a) Fixed Assets 2 3,59,000 3,50,000 (ii) Inangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	Long Term Borrowings			
(b)Trade Payables 1,35,200 1,50,000 (c) Provision for tax 35,000 30,000 TOTAL 5,10,800 5,30,500 II. ASSETS 1. Non- Current Assets (a) Fixed Assets (i) Tangible Assets 2 3,59,000 3,50,000 (ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	3. Current Liabilities			
(c) Provision for tax 35,000 30,000 TOTAL 5,10,800 5,30,500 II. ASSETS 1. Non- Current Assets (i) Tangible Assets 2 3,59,000 3,50,000 (ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	(a) Short Term Borrowings : Bank Loan			70,000
TOTAL 5,10,800 5,30,500 II. ASSETS 1. Non- Current Assets (a) Fixed Assets 2 3,59,000 3,50,000 (ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories (c) Trade Receivables (d) Cash and Cash Equivalents 8,600	(b)Trade Payables		1,35,200	1,50,000
II. ASSETS 1. Non- Current Assets (a) Fixed Assets (i) Tangible Assets 2 3,59,000 3,50,000 (ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	(c) Provision for tax		35,000	30,000
1. Non- Current Assets (a) Fixed Assets (i) Tangible Assets 2 3,59,000 3,50,000 (ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	TOTAL		5,10,800	5,30,500
(a) Fixed Assets 2 3,59,000 3,50,000 (ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	II. ASSETS			
(i) Tangible Assets 2 3,59,000 3,50,000 (ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	1. Non- Current Assets			
(ii) Intangible Assets (Goodwill) 5,000 (b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	(a) Fixed Assets			
(b) Non- Current Investments 2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	(i) Tangible Assets	2	3,59,000	3,50,000
2. Current Assets (a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	(ii) Intangible Assets (Goodwill)		5,000	
(a) Current Investments (b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	(b) Non- Current Investments			
(b) Inventories 74,000 1,00,000 (c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	2. Current Assets			
(c) Trade Receivables 64,200 80,000 (d) Cash and Cash Equivalents 8,600 500	(a) Current Investments			
(d) Cash and Cash Equivalents 8,600 500	(b) Inventories		74,000	1,00,000
	(c) Trade Receivables		64,200	80,000
TOTAL 5,10,800 5,30,500	(d) Cash and Cash Equivalents		8,600	500
	TOTAL		5,10,800	5,30,500

Notes to Accounts:

Particulars 31st March 2019 (Rs.) 31st March 2018 (Rs.)





1. Reserves and Surplus

General Reserve	60,000	50,000
Surplus a/c	30,600	30,500
	90,600	80,500
2. Tangible Assets		
Land and Building	1,90,000	2,00,000
Plant and Machinery	1,69,000	1,50,000
	3.59.000	3.50.000

Additional Information:

- 1. Dividend of Rs.23,000 was paid.
- 2. The income tax paid during the year Rs.28,000
- 3. Machinery was purchased during the year Rs.33,000
- 4. Depreciation written off on machinery Rs.14,000; building Rs.10,000

(2×15=30)

