



QP CODE: 25021100



Reg No :

Name :

BFM DEGREE (CBCS) REGULAR EXAMINATIONS, FEBRUARY 2025

Sixth Semester

BACHELOR OF FINANCIAL MARKETS

CORE COURSE - FM6CRT21 - MANAGEMENT ACCOUNTING

2020 Admission Onwards

85A665C1

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

*Each question carries **2** marks.*

1. Define Management Accounting.
2. Mention any four tools and techniques generally used in Management Accounting.
3. Write a short note on Financial Statements.
4. Write a short note vertical analysis.
5. What is Ratio?
6. Write a note on Absolute Liquidity Ratio.
7. Write a short note on Debt- Equity Ratios.
8. What is Earnings Per Share?
9. What are the differences between budget and forecast?
10. What is a cash budget?
11. Define Financing Activities.
12. H.Ltd. earned a net income of Rs.25,00,000 in 2019. Depreciation for the year was Rs.4,00,000. Debtors at the end of the year were Rs.15,000 more than that in the beginning of the year. Creditors increased over the year by Rs.10,000 and stock decreased by Rs.16,000 over the year. Calculate Net Cash from Operating Activities.

(10×2=20)

Part B

*Answer any **six** questions.*

*Each question carries **5** marks.*





13. Publication of Management Accounting results is not necessary'. Discuss.

14. Explain the limitations of Financial Statement Analysis.

15. Prepare comparative statement from the following data;

Particulars	2018	(Rs '000) 2019	(Rs '000)
Sales	800	1,000	
Purchases	600	800	
Salaries	40	50	
Selling Expenses	20	30	
Opening Stock	30	40	
Closing Stock	40	50	

16. Examine the relationship between Solvency, Liquidity and Profitability.

17. A Company sells goods on cash as well as credit (though not on deferred instalment terms.).The following particulars are extracted from their book of accounts for the Calendar year 2019.

Total Gross Sales	2,00,000
Cash sales (included in above)	40,000
Sales Returns	14,000
Total Debtors for sales on 31.12.2019	18,000
Bills Receivable on 31.12.2019	4,000
Provision for doubtful debts 31.12.2019	2,000
Total Creditors on 31.12.2019	20,000

Calculate the average collection period.

18. What are the limitations of budgetary control?

19. Explain the merits and limitations of zero based budgeting.

20. From the following information calculate the amount of net cash flow from investing activity

PARTICULARS	31st March 2019 (Rs.)	31st March 2020 (Rs.)
Land	3,00,000	1,00,000
Plant and Machinery	8,00,000	10,00,000
Long – term Investments	50,000	1,00,000

Additional Information

1. Plant and Machinery has been charged a depreciation of Rs.80,000
2. Plant and Machinery with a book value of Rs.1,00,000 was sold for Rs.1,20,000
3. Land was sold at a profit of Rs.50,000

21. ABC Ltd. provided the following information, calculate Net Cash Flow from Financing Activities:





PARTICULARS	31st March 2020 (Rs.)	31st March 2019 (Rs.)
Equity Share Capital		
12% Debentures	12,00,000	10,00,000
	2,00,000	1,00,000

Additional Information :

1. Interest paid on Debentures Rs.19,000.
2. Dividend paid Rs.50,000.
3. During the year, ABC Ltd. issued bonus shares in the ratio of 5:1 by capitalising reserve.

(6×5=30)

Part C

Answer any **two** questions.

Each question carries **15** marks.

22. Prepare common size statement of profit and loss of AB Ltd from the following;

Particulars	2018 (Rs '000)	2019 (Rs '000)
Sales	500	700
Miscellaneous income	20	15
Purchases	325	510
Opening Stock	15	10
Closing Stock	10	8
Office Expenses	20	25
Selling Expenses	30	45
Interest Paid	25	30

23. With the following ratios and further information given below, prepare a Trading, Profit & Loss Account and Balance Sheet

Gross Profit Ratio	25%
Net Profit Ratio	20%
Stock Turnover Ratio	10
Net Profit/ capital	1/5
Capital to Total Liabilities	1/2
Fixed Assets/ Capital	5/4
Fixed Assets/ Total Current Assets	5/7
Fixed Assets	Rs. 10,00,000
Closing stock	Rs. 1,00,000.

24. With the following data for a 60% activity, prepare a flexible budget for production at 80 % and 100 % activity.





Production at 60 % activity - 600 Units.

Material –	Rs 100 per unit
Labour –	Rs. 40 per unit
Expenses -	Rs. 10 per unit

Factory Expenses	Rs. 40,000 (40% fixed)
Administration Expenses	Rs. 30,000 (60% fixed)

25. The JG Ltd. has furnished the following Trading and Profit and Loss Account and also the balances of Assets and Liabilities.

Income Statement for the year ended 31st March, 2019

Particulars	Note No.	Rs.
		1,00,000
1. Revenue From Operations		3,000
2. Other Income		
		1,03,000
3. Total Revenue (I + II)		
4. Expenses	1	
1. Cost Of Materials Consumed	
2. Purchase of Stock In trade		65,000
3. Change in Inventories		5,000
4. Employee Benefit Expenses (Salaries)		10,000
5. Finance Cost (Interest on loan)		3,000
6. Depreciation and Amortization Expenses		5,000
7. Other Expense (Loss On sale of Fixed Assets)		2,000
		90,000
8. Total Expenses	2	
		13,000
5. Profit Before Tax (III – IV)		6,000
6. Tax		
		7,000
7. Profit After Tax (V – VI)		





Notes to Accounts :

Particulars	Amount (Rs.)
1. Other income	
1. Income from investment	2,000
2. Profit in sale of investment	1,000
2. Change in Inventories	
1. Opening Stock	15,000
2. Closing Stock	10,000

Assets and Liabilities:

Particulars	1.4.2018 (Rs.)	31.3.2019 (Rs.)
Stock	15,000	10,000
Debtors	10,000	15,000
Creditors	8,000	10,000
Outstanding Salaries	3,000	2,000
Fixed Assets	20,000	25,000

Present the cash flows from the operating activities as they appear in the cash flow statement under: I) Direct Method II) Indirect Method.

(2×15=30)

