



QP CODE: 24001342



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Reg No :

Name :

BFM DEGREE (CBCS) REGULAR EXAMINATIONS, MARCH 2024

Sixth Semester

BACHELOR OF FINANCIAL MARKETS

CORE COURSE - FM6CRT21 - MANAGEMENT ACCOUNTING

2020 Admission Only

B7EEBC21

Time: 3 Hours

Max. Marks : 80

Part A

*Answer any **ten** questions.*

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

1. Distinguish between Management Accounting and Financial Accounting . (Any Two Points)
2. Mention any four tools and techniques generally used in Management Accounting .
3. List the objectives of Financial Statements.
4. Write a short note on Trend Analysis.
5. List four objectives of Ratio Analysis.
6. Compute Current Ratio. Given; Total Assets Rs. 3,00,000; Non- Current liabilities Rs. 50,000; Non- Current Assets Rs. 2,20,000; Shareholders' Fund Rs. 2,00,000.
7. Calculate Debt Equity from the following particulars:
Total Assets: 8,10,000
Total Debt: 2,60,000
Current Liabilities : 40,000
8. Inventory turnover ratio is 2.5 times
Average Inventory is Rs. 20,000.
Calculate cost of revenue for operations and Revenue from operations, if profit earned is 25% of cost.
9. What are the differences between budget and forecast?
10. What is a basic budget?
11. 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.





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 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?

(10×2=20)

Part B

Answer any **six** questions.

Each question carries **5** marks.

13. What are the uses of Management Accounting ?
14. Explain the limitations of Financial Statement Analysis.
15. Prepare a Comparative Balance Sheet from the following information.

Particulars	31-03- 2018	31-03- 2019
Land and Buildings	25,00,000	35,00,000
Goodwill	7,00,000	10,00,000
Equity Share capital	32,00,000	33,00,000
Governemnt Bonds	6,00,000	6,00,000
General Reserve	7,00,000	2,00,000
Trade Receivables	6,40,000	7,90,000
Short Term Investments	5,00,000	2,00,000
9 % Debentures	11,50,000	16,00,000
Cash in hand	50,000	25,000
Inventories	6,00,000	3,50,000
Trade Payables	2,80,000	4,50,000
Preference Share Capital	1,40,000	7,00,000
Profit and Loss Account	2,70,000	2,90,000
Cash at Bank	1,50,000	75,000

16. Distinguish between Liquidity Ratios and Solvency Ratios.
17. Explain the functions of a Management Accountant.
18. What is a budget committee? What are its functions?
19. The following budget estimates are available from a factory working at 50% capacity.

Variable Expenses	Rs.60,000
Semi Variable Expenses	Rs. 20,000
Fixed Expenses	Rs. 10,000

Prepare a budget for 75% of the capacity, assuming that semi-variable expenses increase by





10% for every 25%.

20. Explain the revised Accounting Standard - 3 .

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	12,00,000	10,00,000
12% Debentures	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. From the following Balance Sheets of P and Q Ltd as at 31 st March 2019, prepare Common Size Balance Sheets.

	P Ltd	Q Ltd
I. Equity and Liabilities:		
1. Share Holder's Fund		
a) Share Capital	3,60,000	4,44,000
b) Profit and Loss Account	1,51,800	1,63,800
2. Non-Current Liabilities		
Accumulated Depreciation on Building	1,20,000	1,32,000
3. Current Liabilities		
a) Income Tax Payable	12,000	13,200
b) Outstanding Expenses	24,000	48,000
c) Trade Creditors	2,40,000	2,34,000
Total	9,07,800	10,35,000
II. Assets:		
1. Non-Current Assets		
a) Fixed: Tangible Assets		





i) Land	48,000	96,000
ii) Buildings and Equipment	3,60,000	5,76,000
2. Current Assets		
i) Stock	2,64,000	96,000
ii) Debtors	1,68,000	1,86,000
iii) Sundry Advances	7,800	9,000
iv) Cash	60,000	72,000
Total Assets	9,07,800	10,35,000

23. Make out the Balance Sheet with as many details as possible, Stock Velocity: 6 times, capital Turnover ratio: 2, Fixed assets Turnover: 4, Gross ratio: 20 %, Debtors velocity: 2 months, Creditors Velocity: 73 days, Gross Profit: Rs. 60,000, Reserves and Surplus: Rs..20,000, Closing stock was Rs.5, 000 in excess of opening stock.

24. Prepare Cash Budget for three months from April to June 2022 if it is estimated that cash in hand on April 1st 2022 is Rs 40000. Other details are as follows:

Month	Sales -Rs	Purchases- Rs	Wages- Rs	Expenses- Rs
February	120000	80000	10000	7000
March	130000	98000	12000	9000
April	70000	100000	8000	5000
May	116000	103000	10000	10000
June	85000	80000	8000	6000

1. Sales- 10% is realized in the month of sale and balance in 2 equal installments in the subsequent two months.
2. Purchases-creditors are paid on the month following the supply.
3. Wages- 20% arrears paid in the next month.
4. Sundry expenses-paid in the month itself.
5. Income tax of Rs 20000 payable in June.
6. Income from investment Rs 2000 received half-yearly in March and September.
7. Dividend Rs, 12000 payable in June

25. From the following Balance Sheets of Kit Ltd. Prepare a Cash flow statement for the year ended 31.03.2019.

Particulars	Note No. 31st March 2018(Rs)	31st March 2019(Rs)
I. EQUITY AND LIABILITIES		
1. Shareholder's Funds		
(a) Share Capital		
(i) Equity Share Capital	3,60,000	4,30,000
(ii) 8% Preference Share Capital	2,00,000	2,00,000
(b) Reserves and Surplus		
Surplus (Balance)	1,82,000	3,08,000
2. Non - Current Liabilities
3. Current Liabilities		





(a)Trade Payables	1,82,000	2,80,000
(b) Other Current Liabilities	28,000	14,000
TOTAL	9,52,000	12,32,000

II. ASSETS

1. Non- Current Assets

(a) Fixed Assets

(i) Tangible Assets (Plant and Machinery)	2,80,000	3,92,000
(ii) Intangible Assets

(b) Non- Current Investments

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2. Current Assets

(a) Current Investments

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(b) Inventories 1,82,000 1,26,000

(c) Trade Receivables 4,20,000 6,30,000

(d) Cash and Cash Equivalent 70,000 84,000

TOTAL 9,52,000 12,32,000

Additional Information:

1. An old machinery having a book value of Rs.42,000 was sold for Rs.56,000.
2. Depreciation provided on machinery during the year Rs.28,000.
3. Dividend paid (Including preference dividend) during the year Rs.56,000.
4. Income tax paid during 2018-19 Rs.70,000.

(2×15=30)

