



*K. Sambalig*

**Avinashilingam Institute for Home Science and Higher Education for Women**  
(Deemed to be University Estd. u/s 3 of UGC Act 1956, Category 'A' by MHRD now MoE)  
Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12B  
Coimbatore - 641 043, Tamil Nadu, India

**Continuous Internal Assessment Test II – October 2024**  
**V SEMESTER**

**Class : III UG**  
**Major : B.Com(CA)**

**Time: 2 hours**  
**Maximum Marks: 60**

**21BCCC18 - Management Accounting**

**COURSE OUTCOME:**

- CO1: Acquire knowledge on fundamental aspects of the management accounting tools and technique.
- CO2: Evaluate the financial performance of the companies.
- CO3: Acquire knowledge on preparation of fund flow and cash flow statement of the company.
- CO4: Gain knowledge on application of marginal costing and standard costing in decision making process.
- CO5: Understand the preparation of different types of budget.

**Part-A**

**6x1=6**

**Choose the correct answer**

1. The difference between actual cost and standard cost is known as CO3K3
  - a. Variance
  - b. Profit
  - c. Differential cost
  - d. Loss
2. Basic standard is established for a CO3K2
  - a. Short Period
  - b. Current Period
  - c. Indefinite Period
  - d. Definite Periods
3. Decrease in creditors is \_\_\_\_\_ of cash CO4K1
  - a. Inflow
  - b. Demand
  - c. Outflow
  - d. Investing
4. Cash flow statement is based upon \_\_\_\_\_ CO4K2
  - a. Cash basis
  - b. accrual basis
  - c. accounting equation
  - d. both cash and accrual basis.
5. Which one of the following is not a financial budget? CO5K2
  - a. Cash budget
  - b. sales budget
  - c. production budget
  - d. capital budget.
6. Budgetary control is a system of controlling \_\_\_\_\_ CO5K1
  - a. Profit
  - b. Loss
  - c. Cost
  - d. Variances

**Part- B**

**3x6=18**

**Answer ALL Questions**

**Each answer should not exceed 400 words or two pages**

7. a. From the following information regarding a standard product, calculate labour variances.

Labour rate	50 paise per hour
Hours per unit	10 hours
Units produced	500
Hours worked	6,000
Actual labour cost	2,400

(or)

7. b. Explain the various types of variances used in standard costing.

**CO3K2**

8.a. From the following balance sheets of XYZ Company prepare a statement showing changes in Working Capital.

Particulars	31 <sup>st</sup> December 2022 ₹	31 <sup>st</sup> December 2021 ₹
<b>I. Equities and Liabilities</b>		
<b>Shareholder's Funds:</b>		
Share Capital	1,50,000	1,25,000
Reserve and Surplus:	-	-
Profit and Loss Account	75,000	60,000
Preliminary expenses	(3,000)	(5,000)
Non-current Liabilities	-	-
Current Liabilities	-	-
Short-term borrowings	-	-
Loans (payable on demand)	20,000	-
Trade payables:	-	-
Trade creditors	45,000	50,000
Bills payable	35,000	20,000
	<b>3,22,000</b>	<b>2,50,000</b>

II. Assets		
Non-current assets	27,000	15,000
Tangible Fixed assets: Land	5,000	10,000
Intangible assets: Goodwill	10,000	15,000
Non-current investments		
Current assets:		
Inventories (Stock)	1,20,000	87,000
Trade receivables (Debtors)	90,000	98,000
Cash and cash equivalents	70,000	25,000
	<b>3,22,000</b>	<b>2,50,000</b>

CO4K2

(or)

8.b. Define Cash flow statement and Explain the Objectives of Cash flow statement.

CO4K3

9.a. What do you understand by Budgetary Control? What are the advantages of this system? CO5K2

(or)

9.b. Product X takes 5 hours to make and Y requires 10 hours. In a month of 25 effective days of 8 hours a day, 1000 units of X and 600 units of Y were produced. The company employs 50 workers in the production department. The budgeted hours are 1,02,000 for the year. Calculate capacity ratio, activity ratio and efficiency ratio.

**Part-C**

**3\*12=36**

**Answer ALL questions**

**Each answer should not exceed 800 words or four pages**

10. a. From the following information calculate various overhead variances

CO3K2

	Budget	Actual
Output in units	12,000	14,000
Number of working days	20	22
Fixed overheads	36,000	49,000
Variable overheads	24,000	35,000

There was an increase of 5% in capacity

(or)

10.b. What is the main difference between absorption costing and marginal costing? Discuss.

CO3K3

11.a. The following details are available from a company.

	31-12-22 ₹	31-12-23 ₹		31-12-22 ₹	31-12-23 ₹
Share Capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6,000	Debtors	14,900	17,700
Reserves for doubtful debts	700	800	Stock	49,200	42,700
Trade Creditors	10,360	11,840	Land	20,000	30,000
P/L A/c	10,040	10,560	Goodwill	10,000	5,000
	<b>1,03,100</b>	<b>1,03,200</b>		<b>1,03,100</b>	<b>1,03,200</b>

In addition, you are given:

Dividend paid total ₹3,500

Land was purchased for ₹10,000

Amount provided for amortization of goodwill ₹5,000

Debentures paid off ₹6,000

Prepare Cash Flow Statement.

CO4K2

(or)

11.b. From the following balance sheet of Bharat Ltd, Prepare a schedule of changes in working capital and a funds flow statement. CO4K3

Liabilities	2022	2021	Assets	2022	2021
Share Capital	545	545	Fixed Assets	4,933	3,994
Reserves	2,459	1,660	Less: Depreciation	1,927	1,651
	<b>3,004</b>	<b>2,205</b>		<b>3,006</b>	<b>2,343</b>
Loan funds	2,769	2,295	Investments (Long-term)	62	62
	<b>5,800</b>	<b>4500</b>	Inventories	2,075	1,804
Current Liabilities	1,241	1,533	Debtors	1,175	687
Provisions	434	327	Cash and Bank balance	512	844
			Loans and advances	663	620
	<b>7,475</b>	<b>6,360</b>		<b>7,475</b>	<b>6,360</b>

12. a. Explain the various steps involved in successful implementation of budget. CO5K2

(or)

12. b. The following information relates to a flexible budget at 60% capacity. Find out the overhead costs at 50% and 70% capacity and also determine the overhead rates:

	Expenses at 60% Capacity ₹
<b>Variable Overheads:</b>	
Indirect Labour	10,500
Indirect Materials	8,400
<b>Semi-variable Overheads:</b>	
Repairs and Maintenance (70% fixed, 30% variable)	7,000
Electricity (50% fixed, 50% variable)	25,200
<b>Fixed Overheads:</b>	
Office expenses including salaries	70,000
Insurance	4,000
Depreciation	20,000
Estimated direct labour hours	1,20,000

CO5K3

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Staff in-charge: Ms. M. Vanishree