



*K. Sambath*

**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)  
Re-accredited with 'A++' Grade by NAAC. Recognised by UGC Under Section 12B  
Coimbatore - 641 043, Tamil Nadu, India

**Bachelor's Degree Examination –November 2024**  
**V Semester**

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

**Time: 3 Hours**  
**Max. Marks: 100**

**21BCCC18 Management Accounting**

**Course Outcomes:**

- CO1: Acquire knowledge on fundamental aspects of 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 budgets.

**Part A**

**10 x 1 = 10**

**Choose the Correct Answer**

- |  |   |        |
|--|---|--------|
| 1. Management accounting is an offshoot of<br>a. Financial accounting<br>c. Cost accounting and inflation accounting | b. Cost accounting<br>d. Cost accounting and financial accounting | CO1 K1 |
| 2. Management accounting is also known as<br>a. Price level accounting<br>c. Decision accounting                     | b. Historical cost accounting<br>d. Financial accounting          | CO1 K1 |
| 3. The standard norm for current ratio is<br>a. 2:1<br>c. 4:1  | b. 3:1<br>d. 5:1  | CO2 K1 |
| 4. Solvency ratio indicates<br>a. Credit worthiness<br>c. Profitability  | b. Activity<br>d. Turnover  | CO2 K1 |
| 5. Contribution margin is also known as<br>a. Marginal income<br>c. Net profit                                       | b. Gross profit<br>d. Notional profit                             | CO3 K1 |
| 6. Period costs are<br>a. Overhead costs<br>c. Variable costs  | b. Prime costs<br>d. Fixed cost                                   | CO3 K1 |
| 7. Cash flow statement is prepared by taking the opening balance of<br>a. Reserves<br>c. Cash                        | b. Capital<br>d. P&L  | CO4 K1 |
| 8. Which of the following is non-current asset?<br>a. Cash<br>c. Goodwill  | b. Debtors<br>d. Stock  | CO4 K2 |
| 9. Which of the following is the long-term budget?<br>a. Fixed budget<br>c. Cash budget                              | b. Sales budget<br>d. Capital expenditure budget                  | CO5 K1 |
| 10. Sales budget is a<br>a. Expenditure budget<br>c. Master budget   | b. Functional budget<br>d. Flexible budget                        | CO5 K1 |

**Part B**  
**Answer ALL questions**  
**Each answer should not exceed 400 words or two pages**

5 x 6 = 30

11.a. State the objectives of Management Accounting. CO1 K2

(or)

11.b. Highlight the significance of Management Accounting. CO1 K2

12.a. Current Ratio is 2:5. Working Capital is Rs.120000. Calculate the amount of current assets and current liabilities. CO2 K2

(or)

12.b. Beta Limited has the liquidity ratio of 2:1. If its merchandise inventory is Rs.15000 and total current liabilities are Rs.30000, ascertain the current ratio. CO2 K2

13.a. From the following information, find out the amount of profit earned during the year using marginal costing technique. CO3 K2

Fixed costs	Rs.5 lakhs
Variable costs	Rs.10 per unit
Selling price	Rs.15 per unit
Output level	150000 units

(or)

13.b. State the advantages of Standard Costing. CO3 K2

14.a. Calculate the funds from operations from the following information: CO4 K2

Particulars	Amount in Rs.
Net Profit for the year ended 31.3.2000	650000
Profit on sale of building	40000
Good will written off during the year	10000
Old machinery worth Rs.8000 was sold for	6500
The value of plant	500000
Depreciation has been provided on plant at 20% per year.	

(or)

14.b. Find out the funds from operations from the details given below: CO4 K2

Particulars	Amount in Rs.
Net profit for the year 2003-04	95000
Depreciation charged on fixed assets	42000
Profit on sale of long-term investments included in P&L Account	13000
Goodwill written off	20000

15.a. Discuss the objectives of Budgetary Control. CO5 K3

(or)

15.b. Ascertain cash paid in June 2004. CO5 K3

Particulars	Rs.
<b>Purchases:</b>	
April	60000
May	75000
June	50000
Credit terms: Purchases are 50% on cash basis and the balance payable after a lag of two months.	

Part C

5 x 12 = 60

Answer ALL questions

Each answer should not exceed 800 words or four pages

16.a. Explain the functions of Management Accounting. CO1 K3

(or)

16.b. Differentiate between Financial Accounting and Management Accounting. CO1 K3

17.a. From the following details, you are required to prepare trading and Profit and Loss account. CO2 K3

Cost of goods sold	Rs.16 lakhs
Gross Profit Ratio	20%
Administrative expenses ratio	7%
Selling and Distribution expenses ratio	5%
Net operating income to sales	8%
Financial expenses are equal to selling and distribution expenses ratio.	

(or)

17.b. Prepare the Balance sheet from the following ratios. CO2 K3

Current ratio	2:5
Total assets/ Net worth	3:5
Sales / Fixed assets	6
Sales / Current assets	8
Sales / Inventory	15
Sales / Debtors	18
Annual sales	Rs.25 lakhs

18.a. Calculate BEP in units and value from the following: CO3 K3

Total Cost Rs.50000;  
Total Variable cost Rs.30000;  
Sales (5000 units) Rs.50000.

(or)

18.b. The following are obtained from the records of the factory. CO3 K4

Sales 4000 units @ Rs.25 each	100000
Variable cost	72000
Fixed costs	16800

i. P/V ratio ii. Break – even sales iii. Margin of safety iv. What additional units should be sold to obtain the same amount of profits if the selling price is reduced to Rs.20.

19.a. Differentiate between Fund flow Statement and Cash flow Statement. CO4 K4

(or)

19.b. From the following balance sheets of Mr. White, prepare a Cash Flow Statement. CO4 K4

<b>Liabilities</b>	<b>2002</b>	<b>2003</b>	<b>Assets</b>	<b>2002</b>	<b>2003</b>
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
Capital	500000	612000	Land & Building	300000	440000
Sundry Creditors	160000	176000	Plant & Machinery	320000	220000
Mr. White's loan	100000	-	Stock	140000	100000
Loan from Bank	160000	200000	Sundry debtors	120000	200000
			Cash	40000	28000
<b>Total</b>	<b>920000</b>	<b>988000</b>	<b>Total</b>	<b>920000</b>	<b>988000</b>

Additional Information: A machine costing Rs.40000 (Accumulated Depreciation Rs.12000) was sold for Rs.20000. The provision for depreciation on 31.12.2002 was Rs.100000 and on 31.12.2003 Rs.160000. The net profit for the year 2003 was Rs.180000

20.a. Classify the budgets. CO5 K4

(or)

20.b. With the following data for 60% activity, prepare a budget for 80% activity. CO5 K4

<b>Particulars</b>	<b>Amount in Rs.</b>
Material	Rs. 10 per unit
Wages	Rs. 6
Factory Overheads	Rs. 6000 (20% fixed)
Administration overheads	Rs.2400 (10% variable)
Assume the production at 60% activity is 240 units.	

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