



Maximum

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

**Continuous Internal Assessment Test I – August 2024**  
**SEMESTER V**

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

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

**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**

**Answer all the questions**

**6 x 1 = 6**

**CO1:K1**

- Which of the following are not the tools of Management accounting?  
(A) Fund flow statement (B) Cash flow statement  
(C) Ratio analysis (D) Process costing
- Comparative financial analysis process shows the comparison between the items of which statement  
(A) Balance sheet (B) Income statement  
(C) Balance sheet & Income Statement (D) Cash Flow
- Financial statements are  
(A) Anticipated facts (B) Recorded facts (C) Estimated facts (D) Experiential facts
- Contribution/ sales is equal to  
(A) P/V ratio (B) Breakeven point (C) Margin of safety (D) Contribution
- Quick assets divided by current liabilities is  
(A) Current ratio (B) Liquid ratio (C) Inventory turnover ratio (D) ROI
- Which of the following is not an objective of managerial accounting?  
(A) To help in planning and decision making  
(B) To provide data about the latest position of the firm  
(C) To help in policy formulation  
(D) To find the profit or loss of the firm

**CO1:K3**

**CO2:K3**

**CO2:K2**

**CO2:K3**

**CO3:K2**

**Part – B**

**Answer all the questions**

**3 x 6 = 18**

**Answer should not exceed 400 words or two pages**

- A) Differentiate between Financial accounting and Management accounting. **CO1: K3**  
(OR)
- B) Define Management accounting. Explain the objectives of Management accounting. **CO1:K2**
- A) The Income statements of Sandhya Ltd. are given for the years 2022 and 2023. Convert them into Common-size Income Statement and interpret the changes.

**Income Statements**  
**for the year ending 2022 and 2023**

	2022 ₹	2023 ₹
Gross Sales	7,25,000	8,15,000
Less: Sales returns	25,000	15,000
Net sales	7,00,000	8,00,000
Cost of sales	5,95,000	6,15,000
Gross Profit	1,05,000	1,85,000
Operating expenses:		
Selling and distribution expenses	23,000	24,000
Administrative expenses	12,700	12,500
Total expenses	35,700	36,500
Operating income	69,300	1,48,500
Other incomes	1,200	8,050
	70500	1,56,550
Non-operating expenses	1,750	1,940
Net profit during the year	68,750	1,54,610

(OR)

8. B) Following is the Profit and Loss Account to Electro Matrix Ltd. for the year ended 31<sup>st</sup> March, 2024:

Dr	₹	Cr	₹
To Opening Stock	1,00,000	By Sales	5,60,000
To Purchases	3,50,000	By Closing stock	1,00,000
To Wages	9,000		
To Gross Profit c/d	2,01,000		
	6,60,000		6,60,000
To Administrative expenses	20,000	By Gross Profit b/d	2,01,000
To Selling and Distribution Expenses	89,000	By Interest on Investments (Outside business)	10,000
To Non operating expenses	30,000	By Profit on Sale of Investments	8,000
To Net Profit	80,000		
	2,19,000		2,19,000

You are required to calculate:

1. Gross Profit Ratio
2. Net Profit Ratio
3. Operating Ratio
4. Operating Profit Ratio
5. Administrative Expenses Ratio

CO2:K3

9. A) What is meant by Marginal costing? Summarize the importance of Marginal costing.

CO3: K3

(OR)

9. B) From the following particulars, calculate:

- i. Break-even point in terms of sales value and in units.
- ii. Number of units that must be sold to earn a profit of ₹ 90,000.

	₹
Fixed Factory Overheads cost	60,000
Fixed Selling Overheads cost	12,000
Variable Manufacturing Cost per unit	12
Variable Selling Cost per unit	3
Selling Price per unit	24

### Part – C

Answer all the questions

3 x 12 = 36

Answer should not exceed 800 words or four pages

10. A) Discuss in detail the functions of management accounting. Explain the nature and Scope of management accounting.

CO1: K3

(OR)

10. B) Differentiate between Cost, Financial and Management accounting.

CO1: K3

11. A) Explain the term Financial statements. Interpret the uses and limitations of Financial Statements.

CO2: K2

(OR)

11. B) Common Size Balance Sheet and Income Statement of two companies are given as follows:

You would study the comparative financial position of the companies.

Common Size Balance sheet as on 31<sup>st</sup> March 2024  
( in Thousands of ₹)

	Eagle Co. Ltd		Sunrise Co. Ltd	
	Amount ₹	Percent of total ₹	Amount ₹	Percent of total ₹
Assets				
Current Assets				
Cash	20	2.22	42	3.80
Sundry Debtors	200	22.22	190	17.28
Closing stock	120	13.33	150	13.66

Prepaid expenses	15	1.67	25	2.27
Other current assets	25	2.78	35	3.18
Total Current Assets	380	42.22	442	40.19
Fixed Assets after Depreciation	520	57.78	658	59.81
Total assets	900	100.00	1100	100.00
Liabilities and Capital				
Current liabilities			155	14.09
Sundry Creditors	55	6.1	75	6.81
Other Current Liabilities	65	7.2	230	20.90
Total Current Liabilities	120	13.3	170	15.46
Fixed Liabilities	130	14.4	400	34.34
Total Liabilities	250	27.7	700	63.64
Capital	650	72.3	700	63.64
Total Liabilities and Capital	900	100.00	1100	100.00

Common Size Income statement for the year ending 31<sup>st</sup> December 2011 (in Thousands)

	Eagle Co Ltd.		Sunrise Co Ltd.	
	Amount ₹	Percentage of sales	Amount ₹	Percentage of sales
Sales less returns	1070	100.00	1,320	100.00
Cost of goods sold	620	57.94	850	64.39
Gross profit	450	42.06	470	35.61
Office and administrative expenses	84	7.85	90	6.81
Selling and distributive expenses	250	23.36	190	14.40
Total operating expenses	334	31.21	280	21.21
Operating profit	116	10.85	190	14.40
Other incomes	20	1.87	30	2.27
Non operating expenses	136	12.72	220	16.67
Income before tax	24	2.24	26	1.97
Tax	112	10.84	194	14.70
Net income after tax	37	3.46	65	4.92
	75	7.02	129	9.78

CO2: K3  
CO3: K3

12.A) From the following data, you are required to calculate:  
(a) P/V ratio (b) Break-even sales with the help of P/V ratio  
(c) Sales required to earn a profit of ₹4,50,000

Fixed Expenses ₹90,000  
Variable cost per unit:  
Direct Material ₹5  
Direct Labour ₹2  
Direct Overheads 100% of Direct Labour  
Selling price per unit ₹12.  
(OR)

12.B) From the following data, you are required to calculate break-even point and net sales value at this point.

	₹
Direct material cost per unit	10
Direct labour cost per unit	5
Fixed overhead	50,000
Variable overheads @60% on direct labour	
Selling price per unit	25
Trade discount	4%

If sales are 10% and 25% above the break even volume, determine the net profits.

CO3: K3