(Pages : 4) **M – 4228**

Reg. No. : .....

Name : .....

Final Year B.Com. Degree Examination, February 2022

Part III – Paper XIV : MANAGEMENT ACCOUNTING

(2006 Admission Onwards)

Time : 3 Hours Max. Marks : 100

SECTION – A

Answer **any ten** questions. **Each** question carries **2** marks.

1. What is marginal cost?
2. Which are the different elements of installation of a budgetary control system?
3. What are the functions of management accounting?
4. What are the objectives of financial statement analysis?
5. What are the principles of a good information system?
6. What is a cash flow statement?
7. What is responsibility Accounting?
8. What is the significance of a investment centre in Responsibility accounting?
9. What is a cash flow statement?
10. What is Human Resource Accounting?
11. What are comparative financial statements?
12. What are standard costs?

(10 × 2 = 20 Marks)

P.T.O.

SECTION – B

Answer **any eight** questions. **Each** question carries **5** marks.

13. What are the features of marginal costing?

14. For producing one unit of a product, the materials standard is:
Material X : 6kg. @ Rs.8 per kg., and Material Y : 4kg. @ Rs.10 per kg.
In a week, 1,000 units were produced the actual consumption of materials was:
Material X : 5,900 kg @ Rs.9 kg., and Material Y : 4800 kg. @ Rs.9.50 per kg.
Compute the various variances.

15. The sales of a concern for the next year is estimated at 50,000 units. Each unit of the product requires 2 units of Material A and 3 units of Material B. The estimated opening balances at the commencement of the next year are: Finished Product : 10,000 units, Raw Material A : 12,000 units, Raw Material B : 15,000 units, The desirable closing balances at the end of the next year are: Finished Product : 14,000 units, Raw Material A : 13,000 units, Raw Material B : 16,000 units, Prepare the materials purchase budget for the next year.

16. What is the scope of management accounting?

17. Which are the different types of financial analysis?

18. Who are the different stakeholders of information system?

19. Calculate cash from operations from following Trading and Profit and Loss Account of a firm, for the period ending 31st March 1998.

Dr.				Cr.
	Rs.		Rs.	Rs.
To purchases	20,000	By sales		30,000
To wages	5,000			
To Gross Profit c/d	5,000			
	30,000			30,000
To Salaries	1,000	By Gross Profit B/D		5,000
To Rent	1,000	By Profit on sale out building		
To Depreciation on Plant	1,000	Book	10,000	
To Loss on sale of furniture	500	Value		
To Goodwill written off	1,000	Sold for	15,000	5,000
To Net Profit	5,500			
	10,000			10,000

20. Xainu Co. has made plans for the next year. It is estimated that the company will employ total assets of Rs. 8,00,000; 50 per cent of the assets being financed by borrowed capital at an interest cost of 8 per cent per year. The direct costs for the year are estimated at Rs. 4, 80,000 and all other operating expenses are estimated at Rs. 80,000. The goods will be sold to customers at 150 per cent of the direct costs. Tax rate is assumed to be 50 per cent. You are required to calculate: (a) net profit margin; (b) return on assets; (c) assets turnover and (d) return on owners' equity.

21. Calculate fund from operations from the following Balance Sheets as on 31st March 2003 and 2004.

Balance Sheet

Liabilities	2003	2004	Assets	2003	2004
Share Capital	61,000	74,000	Plant	45,000	43,000
Reserves	13,000	15,500	Building	50,950	48,000
Creditors	28,000	24,000	Stock	20,500	18,800
Bank overdraft	18,000		Debtors	20,000	16,200
Provision for Taxation	8,000	8,500	Cash	150	180
Profit and Loss A/c	8,600	8,800	Cash at Bank		2,100
			Goodwill		2,520
	1,36,600	1,30,800		1,36,600	1,30,800

Taking into account the following information, calculate funds from operations:

(a) Interim Dividend was paid Rs. 2,000.

(b) Dividend proposed for Rs.4,000

(c) Provision of Rs. 9,000 was made for Income Tax

(d) Rs.2,000 was written off as depreciation on Plant and Rs.2,950 on Building

(e) Profit on sale of Fixed Investment Rs. 1,500.

22. What are the advantages of mechanised accounting?

23. What are the precautions to be taken in trend analysis?

24. A product is sold at a price of Rs.120 per unit and its variable cost is Rs.80 per unit. The fixed expenses of the business are Rs, 8,000 per year. Find (a) BEP in Rs. and units, (b) profits made when sales are 240 units, (c) Sales to be made to earn a net profit of Rs. 5,000 for the year.

(8 × 5 = 40 Marks)

SECTION – C

Answer **any two** questions. **Each** question carries **20** marks.

25. A toy manufacturer makes an average net profit of Rs.2.50 per piece on a selling price of Rs.14.30 by producing and selling 60,000 pieces or 60% of the potential capacity. His cost of sales is: Direct material Rs.3.50, Direct wages Rs. 1.25, Works overhead Rs.6.25 (50% fixed) Sales overhead Rs.0.80 (25% variable). During the current year, he anticipates that his fixed charges will go up by 10%, while rates of direct material and direct labour will increase by 6% and 8% respectively. But he has no option of increasing the selling price. Under this situation he obtains an offer for an order equal to 20% of his capacity. The concerned customer is a special customer.

    What minimum price will you recommend for acceptance to ensure the manufacturer an overall profit of Rs. 1,67,300?

26. From the following information extracted from the books of a manufacturing company, calculate Fixed and Variable Overhead Variances.

Particulars	Budgeted	Actual
Production-Units	22,000	24,000
Fixed Overheads	44,000	49,000
Variable Overheads	33,000	39,000
Number of Days	25	26
Number of man hours	25,000	27,000
Capacity Variance		48,000 (F)
Calendar Variance		23,040 (A)
Volume Variance		24,960 (F)

27. Briefly explain different techniques of financial analysis.

28. Which are the method of Human Resource Accounting?

(2 × 20 = 40 Marks)
