

Roll No.

Total No. of Pages : 04

Total No. of Questions : 18

**B.Com (Hons) (2018 Batch) (Sem.-3)**

**MANAGEMENT ACCOUNTING**

**Subject Code : BCOM 301-18**

**M.Code : 76649**

**Time : 3 Hrs.**

**Max. Marks : 60**

**INSTRUCTIONS TO CANDIDATES :**

1. **SECTION-A is COMPULSORY** consisting of **TEN** questions carrying **TWO** marks each.
2. **SECTION-B** consists of **FOUR** Sub-sections : **Units-I, II, III & IV.**
3. **Each Sub-section** contains **TWO** questions each, carrying **TEN** marks each.
4. **Student has to attempt atleast ONE** question from each **Sub-section.**

**SECTION-A**

1. Explain the concept of funds from operation.
2. What do you mean by Comparative statements?
3. Calculate the Stock turnover ratio from the following information :

Opening Stock	Rs. 1,45,000
Closing Stock	Rs. 1,55,000
Net sales	Rs. 5,00,000
Cost of goods sold	Rs. 4,00,000

4. How the debt service ratio is calculated?
5. Explain the terms of Responsibility Accounting.
6. Calculate Fund from operation from the following information :

Net Profit	Rs. 60,000
Depreciation on fixed assets	Rs. 20,000
Profit on sale of fixed assets	Rs. 5,000
Amount transferred to general reserves	Rs. 8,000

7. Distinguish between Financial Accounting and Management Accounting.

8. Calculate interest coverage ratio from the following information :

10% Debentures	Rs. 8,00,000
Interest on Debentures	Rs. 80,000
Earnings before interest and tax	Rs. 4,00,000
Tax rate	50%

9. Explain the concept of trend analysis.

10. What are the different types of responsibility centres?

## SECTION-B

### UNIT-I

11. What Does Management Accounting Mean? Discuss in detail the scope of Management Accounting.

12. Why the analysis and interpretation of financial statements is important? Discuss the different methods used for analysis and interpretation of financial statements.

### UNIT-II

13. Following information are taken from the books of Ambit Co. Ltd.

Cash in hand	Rs. 40,000
Sundry debtors	Rs. 5,60,000
Stock	Rs. 6,00,000
Bill Receivables	Rs. 1,50,000
Current Liabilities	Rs. 8,00,000
Cost of goods sold	Rs. 7,50,000
Administrative and Selling Expenses	Rs. 2,50,000
Net profit	Rs. 2,25,000
Net Sales	Rs. 15,00,000
10% Debentures	Rs. 15,00,000
Interest on debentures	Rs. 1,50,000
Equity share capital	Rs. 24,00,000
Reserves and surplus	Rs. 6,00,000

You are required to calculate following ratios :

a) Current ratio

b) Liquid Ratio

c) Gross Profit ratio

d) Net Profit Ratio

e) Debt Equity Ratio

14. You are required to prepare flexible budget for overheads on the basis of data given below. Ascertain the overhead rates 40%, 80% and 100% capacity.

	At 40% Capacity (Rs.)	At 80% Capacity (Rs.)	At 100% Capacity (Rs.)
<b>Variable Overheads</b>			
Indirect material	24,000		
Indirect labour	36,000		
<b>Semi Variable Overheads</b>			
Electricity (20% fixed and 80% variable)	54,000		
Repairs and maintenance (40% fixed and 60% variable)	72,000		
<b>Fixed overheads</b>			
Depreciation	20,000		
Insurance	10,000		
Salaries	22,000		
<b>Total Overheads</b>	<b>2,38,000</b>		

### UNIT-III

15. The following is the Balance Sheet of Gem Power India Ltd. :

Liabilities	01-04-2018	31-03-2019	Assets	01-04-2018	31-03-2019
	(Rs)	(Rs)		(Rs)	(Rs)
Equity Share capital	14,80,000	14,90,000	Building	7,50,000	9,50,000
Profit and Loss Account	2,50,000	4,00,000	Land	2,00,000	4,00,000
Long Term Debt	4,00,000	2,50,000	Machinery	9,00,000	10,60,000
Creditors	3,60,000	4,10,000	Stock	2,50,000	2,20,000
Bills Payable		5,00,000	Debtors	3,50,000	3,84,000
			Cash	40,000	36,000
<b>Total</b>	<b>24,90,000</b>	<b>30,50,000</b>		<b>24,90,000</b>	<b>30,50,000</b>

Depreciation on Machinery	Rs. 9,000
Depreciation on Building	Rs. 37,500
Dividend Paid	Rs. 1,50,000

You are required to prepare Cash Flow Statement and comment on the operating, investing and financial health of company.

16. Identify the three major types of activities classified on a cash flow statement and give example of cash inflows and outflows of each classification.

#### **UNIT-IV**

17. Describe and compare the main performance measures that have been suggested to measure the divisional performance.
18. Distinguish between a cost centre, profit centre and investment centre.

**NOTE : Disclosure of Identity by writing Mobile No. or Making of passing request on any page of Answer Sheet will lead to UMC against the Student.**