

(i) Printed Pages : 7

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(ii) Questions : 14

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Exam. Code :

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Bachelor of Commerce 5<sup>th</sup> Semester

(2123)

MANAGEMENT ACCOUNTING

Paper : BCM-502

Time Allowed : Three Hours]

[Maximum Marks : 80

**Note :—** Attempt any **four** short answer type questions from Section-A. Attempt **two** questions each from Section-B and C respectively.

### SECTION—A

1. What do you mean by Comparative Financial Statements ?
2. Write a note on social responsibility accounting.
3. From the following information, prepare a common size income statement of Java Ltd.

Particulars	2021	2022
Sales	120% of cost of goods sold	50% of cost of goods sold
Cost of goods sold	Rs. 20,00,000	Rs. 25,00,000
Indirect expenses	10% of Gross profit	
Rate of income tax	50% of net profit before tax	



4. Krishna and Co. supplies you the following information regarding the balance sheet ending December 2022 : Cash sales Rs. 80,000; credit sales Rs. 2,00,000; Return inwards Rs. 10,000; Opening stock Rs.25,000; Closing stock Rs. 30,000; Gross profit ratio is 25%. Find out inventory turnover.
5. Compute cash flows from operating activities from following :

	Rs. (2021)	Rs. (2022)
P/L	2,40,000	2,20,000
Debtors	1,24,000	1,00,000
Outstanding rent	84,000	28,000
Goodwill	1,52,000	1,60,000
Creditors	76,000	52,000

6. Calculate Fund from operations from the information given below as on 31/3/2020 : Net profit for the year ended 31/3/2020 Rs. 6,50,000, Gain on sale of building Rs. 35,500, Goodwill written off during the year Rs. 18,000, Old machinery worth Rs. 8,000 has been sold for 6,500 during the year, Rs.1,25,000 have been transferred to the general reserve and depreciation has been provided during the year on machinery and furniture at 20% whose total cost is Rs. 6,50,000.  $4 \times 5 = 20$

### SECTION—B

7. Define management accounting. Explain the scope and significance of management accounting in modern digital economy.
8. What do you mean by Financial Analysis ? Discuss various tools used for Financial Statement Analysis with suitable examples.



9. The following are the income statement of Ram Ltd. for the year 2021 and 2022. Prepare a comparative Income Statement and Comment on the profitability of the company.

Particulars	2021	2022	Particulars	2021	2022
To opening stock	85,000	2,00,000	By sales less return	10,00,000	12,00,000
To Purchase less returns	5,00,000	5,50,000	By closing stock	2,00,000	2,25,000
To wages	60,000	80,000	By income from investments	12,000	15,000
To salaries	42,000	64,000	By dividend received	5,000	7,500
To rent, rates and insurance	35,000	40,000			
To depreciation	40,000	60,000			
To selling expenses	12,000	12,000			
To discount allowed	5,000	7,000			
To loss on sale of plant	-----	8,000			
To interest paid	12,000	14,000			
To net profit	4,26,000	4,12,500			
Total	12,17,000	14,47,500	Total	12,17,000	14,47,500



10. From the following details, prepare the balance sheet of the company concerned :

Stock velocity 6 Times

Capital Turnover Ratio 2 Times

Fixed Assets Turnover Ratio 4 Times

Gross Profit 20%

Debt Collection Period 2 months

Creditor Payment Period 73 days, the gross profit was Rs. 60,000, Closing stock was Rs. 5,000 in excess of the opening stock.

$$2 \times 15 = 30$$

### SECTION—C

11. Discuss the concept of Human Resource Accounting. Explain various methods of valuing human resource assets.
12. What do you mean by price level accounting ? Discuss various methods of price level accounting.
13. The following is balance sheet of Alpha Company. Make out Cash flow statement :

Liabilities	2021	2022
Equity share Capital	3,00,000	4,00,000
8% redeemable preference share capital	1,50,000	1,00,000
Capital reserve	.....	20,000
General reserve	40,000	50,000



Profit and loss account	30,000	48,000
Proposed dividend (non-current)	42,000	50,000
Sundry creditors	25,000	47,000
Bill payable	20,000	16,000
Liability for expenses	30,000	36,000
Provision for taxation	40,000	50,000
	6,77,000	8,17,000
<b>Assets</b>	<b>2021</b>	<b>2022</b>
Goodwill	1,00,000	80,000
Land & Building	2,00,000	1,70,000
Plant	80,000	2,00,000
Investments	20,000	30,000
Sundry debtors	1,40,000	1,70,000
Stock	77,000	1,09,000
Bills receivable	20,000	30,000
Cash in hand	15,000	10,000
Cash at bank	10,000	8,000
Preliminary Expenses	15,000	10,000
	6,77,000	8,17,000

**Additional Information :**

- (1) A piece of land had been sold out in 2022 and Profit on sale has been credited to Capital Reserve.



- (2) A Plant has been sold for Rs. 10,000. The written down value of the plant was Rs. 12,000. Depreciation of Rs. 10,000 is charged on plant account in 2022.
- (3) The investments are trade investments Rs. 3,000 by way of dividend is received including Rs. 1,000 from pre-acquisition profit which has been credited to investment account.
- (4) An interim dividend of Rs. 20,000 has been paid in 2022 in addition to the proposed dividend in 2021.
14. The following are the summarized balance sheet of a company as on 31/12/2021 and 31/12/2022 :

Liabilities	2021	2022
Share capital	2,00,000	2,50,000
General reserve	50,000	60,000
Profit and Loss account	30,500	30,600
Bank Loan (Long term)	70,000	----
Sundry creditors	1,50,000	1,35,200
Provision for taxation	30,000	35,000
	5,30,500	5,10,800
Assets	2021	2022
Land & Building	2,00,000	1,90,000
Machinery	1,50,000	1,69,000
Stock	1,00,000	74,000
Sundry debtors	80,000	64,200
Cash in hand	500	600
Cash at bank	--	8,000
Goodwill (At Cost)	--	5,000
	5,30,500	5,10,800

**Additional information :**

- (1) Dividend of Rs. 23,000 was paid.
- (2) Assets of another company were purchased for a consideration of Rs. 50,000 payable in shares :  
Stock Rs. 20,000; Machinery Rs. 25,000.
- (3) Machinery was further purchased for Rs. 8,000.
- (4) Depreciation written off on machinery Rs. 12,000.
- (5) Income tax provided during the year Rs. 33,000.
- (6) Loss on sale of machinery Rs. 200 was written off to general reserve.

You are required prepare to Fund Flow Statement.

2×15=30