

2021

Bachelor of Commerce

Fifth Semester

BCM-502: Management Accounting

Time allowed: 3 Hours

Max. Marks: 80

NOTE: Attempt four short answer type questions from Section-A. Attempt two questions each from Section B and C respectively.

x-x-x

Section – A

- I. Attempt any four of the following:-
- What is management accounting? How it is different from financial accounting?
 - Write a short notes on Human Resource Accounting?
 - Given:

Current Ratio = 2.8

Acid-test Ratio =1.5

Working Capital = Rs. 1,62,000

Find out :

- Current Assets
- Current Liabilities
- Liquid Assets

- d) Calculate the Cost of Sales Adjustment' (COSA) from the following:-

	Historical Cost ₹	Index Number
Opening Stock		
Purchases	52,000	100
	<u>2,20,000</u>	110
Total goods		(Average)
Less: Closing Stock	2,72,000	
Cost of sales	<u>72,000</u>	120
	2,00,000	

- e) Calculate the trend percentages from the following figures of X Ltd. taking 2009 as the base and interpret them:-

Year	Sales	Stock	(₹ in lakhs) Profit before tax
2009	1,881	709	321
2010	2,340	781	435
2011	2,655	816	458
2012	3,021	944	527
2013	3,768	1,154	672

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(2)

- f) Calculate 'Fund from operations from the information given below as on 31st march 2013:
- i) Net profit for the year ended 31st march 2013, Rs. 6,50,000
 - ii) Gain on the sale of building Rs. 35,500
 - iii) Goodwill appears in the books at Rs. 1,80,000 out of that 10 percent has been written during the year.
 - iv) Old machinery worth Rs. 8,000 has been sold for Rs. 6,500 during the year.
 - v) Rs. 1,25,000 have been transferred to the General Reserve Fund.
 - vi) Depreciation has been provided during the year on machinery and furniture at 20% whose total cost is Rs. 6,50,000 (4x5)

Section – B

- II. The management objects of accounting are to provide data to help management in planning decision making and controlling operation. Explain. (15)
- III. What do you mean by financial analysis? Explain different techniques of financial statement analysis? (15)
- IV. From the following information, make out a statement of proprietors' Funds with as many details as possible:-
- | | |
|---|--------|
| a) Current Ratio | 2.5 |
| b) Liquid Ratio | 1.5 |
| c) Propertitory Ratio (Fixed / Proprietors' Fund) | 0.75 |
| | Rs. |
| d) Working capital | 60,000 |
| e) Reserves and Surplus | 40,000 |
| f) Bank overdraft | 10,000 |
| g) There is no long-term loan or fictitious assets. | |

(15)

V. The Balance Sheet of S & Co. K & Co. are given as follows:-

Balance Sheets as at 31-03-2015		
<i>Particulars</i>	<i>S & Co.</i>	<i>K & Co.</i>
	(₹)	(₹)
I. Equity and Liabilities		
Shareholder's Funds		
Share Capital :		
Preference Share Capital	1,20,000	1,60,000
Equity Share Capital	1,50,000	4,00,000
Reserve and Surplus	14,000	18,000
Non-current Liabilities		
Long-term Loans	1,15,000	1,30,000
Current Liabilities		
Trade Payables :		
Bills Payable	2,000	-
Sundry Creditors	12,000	4,000
Outstanding Expenses	15,000	6,000
Proposed Dividend (Short-term Provision)	10,000	90,000
	<u>4,38,000</u>	<u>8,08,000</u>
II. Assets		
Non-Current Assets		
Tangible Assets :		
Land and Building	80,000	1,23,000
Plant and Machinery	3,34,000	6,00,000
Current Assets		
Temporary Investment		
Inventories	1,000	40,000
Trade Receivables (Book Debts)	10,000	25,000
Prepaid Expenses (Other Current Assets)	4,000	8,000
Cash and Cash Equivalents :	1,000	2,000
Cash and Bank Balances	8,000	10,000
	<u>4,38,000</u>	<u>8,08,000</u>

Compare the financial position of two companies with the help of common size balance sheet. (15)

Section - C

- VI. What do you mean by price level accounting? Explain different methods of price level accounting. (15)
- VII. What is meant by responsibility centres? Explain different responsibility center. (15)
- VIII. A Company funds on 1st April, 2016 that it is short of funds with which to implement program of expansion. On 31st March, 2015, it had a bank balance of Rs. 1,80,000. From the following information, prepare a statement for Board of Directors, to show how the overdraft of Rs. 68,750 as at 31st March, 2016 has arisen.

(4)

Figures as per Balance Sheet as at 31st March of each year are as follows:-

	2015 ₹	2016 ₹
Fixed Assets	7,50,000	11,20,000
Stock and Stores	1,90,000	3,30,000
Debtors	3,80,000	3,35,000
Bank Balance	1,80,000	68,750 (old)
Trade Creditors	2,70,000	3,50,000
Share Capital (in shares of ₹ 10 each)	2,50,000	3,00,000
Bills Receivable	87,500	95,000

The profit for the year ended 31st March, 2016 before charging depreciation and taxation amounted to Rs. 2,40,000.

The 5,000 shares were issued on 31st March, 2016 at a premium of Rs. 5 per share. Rs. 1,37,500 were paid in March, 2016 by way of Income tax. Dividend was paid as follows:

2015 (final) on the capital on 31-3-2015 at 10% less tax at 25%.

2016 (interim) 5% free of tax.

(15)

IX. From the following condensed balance sheets of A Ltd. for the year ending 31st March, 2010 and 31st March 2011, draw out a Funds Flow Statement and a Statement of Changes in Working Capital for 2011

Balance Sheets of a Ltd.					
Liabilities	31st March 2010 ₹	31st March 2011 ₹	Assets	31st March 2010 ₹	31st March 2011 ₹
Equity Share Capital	3,00,000	4,00,000	Goodwill	60,000	55,000
6% Redeemable			Land & Building	1,25,000	85,000
Preference Share Capital	80,000	50,000	Plant & Machinery	1,20,000	2,25,000
Capital Reserve	-	20,000	Furniture	15,000	12,000
General Reserve	30,000	40,000	Trade Investments	12,000	48,000
Profit and Loss A/c	26,000	35,000	Sundry Debtors	65,000	1,05,000
Sundry Creditors	30,000	58,000	Stocks	90,000	84,000
Bill Payable	12,000	8,000	Bills Receivable	16,000	30,000
Outstanding Expenses	6,000	5,000	Cash in hand	13,000	20,000
Proposed Dividend	30,000	42,000	Cash at bank	15,000	20,000
Provision for Taxation	32,000	36,000	Preliminary Expenses	15,000	10,000
	<u>5,46,000</u>	<u>6,94,000</u>		<u>5,46,000</u>	<u>6,94,000</u>

Additional Information :

- a) A piece of land has been sold out in the year ended 2011 and the balance has been revalued, profits on sale and revaluation being transferred to Capital Reserve Account.

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(5)

- b) Depreciation on Plant and Machinery has been written off Rs. 24,000 in 2011 and no depreciation has been charged on land and buildings.
- c) A Machinery was sold for Rs. 16,000 (w.d.v. being Rs. 20,000) and no furniture has been sold during the year.
- d) An interim dividend of Rs. 20,000 has been paid in 2011
- e) Rs. 3,000 has been received as Dividend on Trade Investments. (15)

x-x-x