



LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

SIXTH SEMESTER – APRIL 2017

CO 6605- MANAGEMENT ACCOUNTS

Date: 20-04-2017
Time: 09:00-12:00

Dept. No.

Max. : 100 Marks

Part A

Answer ALL the Question 10x2=20

1. Define Management Accounting.
2. What is Marginal Costing?
3. Write a short note on Debtors Turnover Ratio
4. What do you mean by Master Budget?
5. What is the formula to calculate the BEP?
6. What is Budgeting?
7. What do you mean by "Fund Flow Statement"?
8. How do you define PV ratio?
9. Write the formula for Stock Turnover Ratio.
10. Write a Short note on "Current Ratio"

Part B

Answer any FOUR Question 4x10=40

11. What is management accounting? How it's different from Cost Accounting?
12. From the following details ,calculate Funds From Operation

Salaries	5,000	Rent	3,000
Depreciation on plant	4,000	Provision for tax	4,000
Loss on sale of plant	2,000	P&L a/c opening	25,000
Transfer to general reserve	1,000	Goodwill written off	2,000
Dividend received	5,000	Refund of tax	3,000
Profit on sale of building	5,000	P&L a/c closing	60,000
Discount of issue of debentures	2,000	Provision for bad debts	1,000
Preliminary expenses written off	3,000	Proposed dividend	6,000

13. What is meant by Ratio Analysis? Discuss advantages and limitations of Ratio analysis.
14. What is Fund Flow Statement? Explain its various uses.

15. From the following data calculate
Material Price, Usage, Mix and Cost variance

Materials	Standard		Actual	
	Units	Price`	Units	Price`
A	1010	1	1080	1.2
B	410	1.5	380	1.8
C	350	2	380	1.9

16. From the data, calculate Gross Profit ratio, Net Profit Ratio, Return on total Assets, Inventory turnover ratio.

Sales	25,20,000
Cost of Sales	19,20,000
Net profit	3,60,000
Inventory	8,00,000
Other Current assets	7,60,000
Fixed assets	14,40,000
Net worth	15,00,000
Debt	9,00,000
Current liability	6,00,000

17. What are Turnover ratios? Explain their importance

Part C
Answer any TWO Question 2x20=40

18. Prepare the Cash Budget for the month of May, June and July 2014 on the basis of the following information.

1. Income and Expenditure forecast :

Month 2014	Credit Sales`	Credit purchase	Wages	Manufacturing Expenses	Office expenses	Selling expenses
Mar	60000	36000	9000	4000	2000	4000
Apr	62000	38000	8000	3000	1500	5000
May	64000	33000	10000	4500	2500	4500
June	58000	35000	8500	3500	2000	3500
July	56000	39000	9500	4000	1000	4500
Aug	60000	34000	8000	3000	1500	4000

2. Cash balance on 1st May 2013 is ` 8000

3. Plant costing `16000 is due for the delivery in July: payable 10% on delivery

and the balance after three months.

4. Advance tax of `8000 each is payable in March and June.
5. Period of credit allowed by suppliers -2 months and to customers 1 month.
6. Lag in payment of manufacturing expenses ½ month.
7. Lag in payment of office and selling expenses –1 month.

19. Given below is the Flexible Budget at 60% capacity. Prepare a tabulated statement giving the budget figures at 75% capacity.

Expenses	At 60% capacity `
Direct Material	160000
Direct labour	40000
Indirect material and spares	48000
Depreciation	60000
Indirect Labour	40000
Rent	12000
Electric power (40% fixed)	8000
Repairs and maintenance (40% variable)	20000
Insurance on machinery	12000

20. From the following information, you are required to prepare Balance sheet of Narmatha & co Ltd

a. Current ratio	1.75
b. Liquid ratio	1.25
c. Stock turnover ratio cost of sales /closing stock	9
d. Gross profit ratio	25%
e. Debt collection ratio	1.5 months
f. Reserves and surplus to capital	0.2
g. Fixed assets turnover ratio on cost of sales	1.2
h. Capital gearing ratio(long term debt to share capital)	0.6
i. Fixed assets to net worth	1.25
j. Sales for the year	`12,00,000

21. From the following information calculate MCV,MMV,MUV,MPV,MYV

Material	Standard Quantity unit	Price `	Actual Quantity unit	Price `
A	500	6	400	6
B	400	3.75	500	3.60
C	<u>300</u>	3	<u>400</u>	2.80
	<u>1200</u>		<u>1300</u>	
Normal loss 10%	<u>120</u>	Actual loss	<u>220</u>	
	1080		1080	