Reg. No. : ..................................

Name : .....................................

### VI Semester B.Com. Degree (C.B.C.S.S. – Supplementary) Examination, April 2023
### (2017 to 2018 Admissions)
### Core Course
### 6B15COM : MANAGEMENT ACCOUNTING

Time : 3 Hours                                                                 Max. Marks : 40

## PART – A

Answer **all** questions. **Each** question carries ½ mark.

1. Dividend payment is a _____ activity.

2. Contribution = Sales – _____ cost.

3. Current ratio is also known as _____

4. The difference between standard cost and actual cost is called _____          (4×½=2)

## PART – B

Answer **any four** questions. **Each** question carries **one** mark.

5. What is trend analysis ?

6. What is liquidity ?

7. What is meant by BEP ?

8. What is material price variance ?

9. What is financing activity ?

10. What is budgetary control ?                                               (4×1=4)

# PART – C

Answer **any six** questions (**not** exceeding **one** page). **Each** question carries **three** marks.

11. What are the objectives of management accounting ?

12. What are the advantages of ratio analysis ?

13. What are the features of marginal costing ?

14. What are the objectives of budgetary control ?

15. The sales turnover and profit during two periods were as follows :

| Period | Sales (Rs.) | Profit (Rs.) |
|--------|-------------|--------------|
| 1 | 2,00,000 | 20,000 |
| 2 | 3,00,000 | 40,000 |

What would be probable trading results with the sales of Rs. 1,80,000 ? What amount of sales will yield a profit of Rs. 50,000 ?

16. From the following information, calculate operating ratio :

| | |
|--|--|
| Sales | 7,60,000 |
| Sales returns | 10,000 |
| Cost of goods sold | 4,80,000 |
| Administrative expenses | 45,000 |
| Selling expenses | 75,000 |
| Provision for taxation | 30,000 |

17. It is estimated that a product requires 50 units of materials at the rate of Rs. 3 per unit. The actual consumption of material for manufacturing the same product came to 60 units at the rate of Rs. 2.80 per unit. Calculate material cost variance and material price variance.

18. From the following information, interpret the result of operations of a manufacturing company, using trend ratios.

| Particulars | 2008 | 2009 | 2010 | 2011 | |
|---|---|---|---|---|---|
| Net sales | 80 | 70 | 100 | 120 | |
| Less : cost of goods sold | 60 | 55 | 72 | 80 | |
| Gross profit | 20 | 15 | 28 | 40 | |
| Less : operating expenses | 10 | 9 | 12 | 25 | |
| Operating net profit | 10 | 6 | 16 | 15 | (6×3=18) |

PART – D

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

19. What is management accounting ? Discuss the nature and scope of management accounting.

20. Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90%.

| Plant capacity | At 80% capacity (Rs.) |
|---|---|
| Variable overheads : | |
| Indirect labour | 12,000 |
| Stores including spares | 4,000 |
| Semi variable overheads : | |
| Power (30%-fixed, 70%-variable) | 20,000 |
| Repairs (60%-fixed, 40%-variable) | 2,000 |
| Fixed overheads : | |
| Depreciation | 11,000 |
| Insurance | 3,000 |
| Salaries | 10,000 |
| Total overheads | 62,000 |
| Estimated Direct Labour Hours | 1,24,000 |

21. The Balance Sheets of Western Manufacturers Limited as on first January 2021 and 31st December 2021 are as follows :

| Liabilities | 1st Jan. 2021(Rs.) | 31st Dec. 2021(Rs.) | Assets | 1st Jan. 2021(Rs.) | 31st Dec. 2021(Rs.) |
|---|---|---|---|---|---|
| Share Capital | 2,50,000 | 2,50,000 | Land and Building | 1,50,000 | 1,50,000 |
| 5% Debentures | 1,00,000 | 80,000 | Machinery | 82,000 | 90,000 |
| Sundry Creditors | 1,15,000 | 1,08,000 | Stock in trade | 1,00,000 | 1,14,000 |
| Profit and Loss account | 20,000 | 27,000 | Sundry Debtors | 85,000 | 81,000 |
| Depreciation fund | 40,000 | 44,000 | Cash and Bank balance | 60,000 | 55,000 |
| Reserve for contingencies | 70,000 | 55,000 | Temporary investments | 1,31,000 | 95,000 |
| Outstanding expenses | 15,000 | 24,000 | Prepaid expenses | 2,000 | 3,000 |
| | 6,10,000 | 5,88,000 | | 6,10,000 | 5,88,000 |

The following additional information is available :

a) New machinery was purchased for Rs. 30,000 but old machinery costing Rs. 15,000 was sold for Rs. 5,000 accumulated depreciation was Rs. 8,000.

b) Rs. 20,000, 5% Debentures were redeemed by purchase from open market at Rs. 96.

c) Rs. 36,000 investment were sold at book value.

d) 12% dividend was paid in cash.

e) Rs. 15,000 was debited to contingency reserve for settlement of previous tax liability.

Prepare cash flow statement. (2×8=16)