



Reg. No. : .....

Name : .....

**VI Semester B.Com. Degree (CBCSS – Reg./Supple./Improv.)**  
**Examination, April 2021**  
**(2014-2018 Admissions)**  
**Core Course**  
**6B15-COM : MANAGEMENT ACCOUNTING**

Time : 3 Hours

Max. Marks : 40

## PART – A

This part consists of **four** questions carrying  $\frac{1}{2}$  mark **each**. Answer **all** questions in **one** word.

1. Sales – Cost of Goods Sold = \_\_\_\_\_
2. The excess of Sales over Break Even Sales is called \_\_\_\_\_
3. \_\_\_\_\_ is the ideal Absolute Liquid Ratio.
4. Standard Labour Cost – Actual Labour Cost = \_\_\_\_\_ ( $\frac{1}{2} \times 4 = 2$ )

## PART – B

Answer **any four** questions in **one** or **two** sentences **each**. **Each** question carries **one** mark **each**.

5. What is Margin of Safety ?
6. What is Material Cost Variance ?
7. What is Flexible Budget ?
8. What is Break Even Point ?
9. What will be profit when cost is Rs. 12,000 and profit is 25% on selling price ?
10. What is the Fixed Cost when Break Even is Rs. 25,000 and P/V ratio is 20% ?
11. The standard hours expected for a work is 6 hours @ Rs. 200 per hour. The actual hours worked is 5 hours @ Rs. 230. Calculate Labour Cost Variance.
12. Quick Asset = Current Asset – (\_\_\_\_\_ and \_\_\_\_\_). (1×4=4)

PART – C

Answer **any six** questions. Answer should **not** exceed **one** page **each**. Each question carries **three** marks **each**.

13. What are the techniques used in financial analysis of a company ?
14. What do you mean by Activity Ratios ? What are the important activity ratios ?
15. What are the preliminaries for the installation of a system of budgetary control ?
16. What is Management Accounting ? What are the functions of Management Accounting ?
17. Cost of Goods sold Rs. 80,000, Stock Turnover Ratio 5 times, closing stock is Rs. 4,000 more than opening stock. Find out the value of opening stock and closing stock.
18. P/V Ratio is 40%, Break Even Point is 50,000, Total sales is Rs. 1,20,000. Find out Fixed Cost, Variable Cost and Profit.
19. From the following information, calculate Debt Equity Ratio.  
Equity Share Capital Rs. 3,00,000, Preference Share Capital Rs. 1,00,000, 12% Debentures 3,00,000, General Reserve Rs. 1,00,000, P&L A/c (Dr.) Rs. 30,000, Preliminary Expenses Rs. 20,000.
20. From the following particulars, prepare a production budget of XYZ Co. Ltd. for the year ended 31 March 2012.

Product	Sales (Units) as per Sales Budget	Estimated Stocks	
		01-04-2011	31-03-2012
A	1,00,000	10,000	5,000
B	80,000	4,000	8,000
C	60,000	2,000	10,000

21. The following figures are extracted from the books of a manufacturing firm for the year 2010-11 :
 

Direct Material	Rs. 1,50,000
Direct Labour	Rs. 1,00,000
Fixed Overhead	Rs. 80,000
Variable Overhead	Rs. 50,000
Sales	Rs. 5,00,000

 Calculate the Break-Even Point. What will be the effect on BEP on an increase of 10% in
  - i) Fixed Cost and
  - ii) Variable Expenses



22. From the following information, calculate the cash from financing activities.

Particulars	As on 31-12-2019	As on 31-12-2020
Equity Share Capital	3,00,000	4,00,000
Debentures	2,00,000	1,50,000
Share Premium	30,000	50,000
Mortgage Loan	—	60,000

23. Find out variable cost and fixed cost if the total cost for producing 4,000 units is Rs. 34,000 and the total cost of producing 7,000 units is Rs. 52,000.
24. When Standard usage of material is 30 units @ Rs. 10 per unit and actual used is 28 units @ Rs. 12. Find out Material Cost Variance, Material Price Variance and Material Usage Variance. (3×6=18)

PART – D

Answer **any two** questions. Answer should **not** exceed **four** pages **each**. **Each** question carries **eight** marks **each**.

25. Explain Budgeting. What are the objectives of budgeting ?
26. What do you mean by Standard Costing ? What are the advantages of standard costing ?
27. What is a Functional Budget ? What are the different functional budgets ?
28. A Garment retailer is currently selling 3,000 shirts annually. He supplies the following information for the year ended 31 March, 2010.  
Selling Price per shirt Rs. 500, Variable Cost per shirt Rs. 300  
Staff salaries for the year Rs. 1,20,000  
General Office cost of the year Rs. 80,000  
Advertising cost of the year Rs. 60,000  
You are required to answer the following each part independently :
- i) Calculate the Break-Even Point and margin of safety in sales revenue and the number of shirts sold.
  - ii) Assume that 2,000 shirts were sold in a year, find out the net profit of the firm.
  - iii) If it is decided to introduce selling commission of Rs. 20 per unit, how many shirts would required to be sold in a year to Break Even ?
  - iv) Assuming that for the year 2011 an additional staff salary of Rs. 50,000 is anticipated, and price of the shirt is likely to be increased by 10%, what should be the Break Even Point in number of shirts and sales revenue.



29. From the following information, determine the cash flow from operating activities by Direct Method.

**Trading and Profit and Loss Account for the year ended 31-03-2020**

Particulars	Rs.	Particulars	Rs.
To Opening stock	50,000	By Sales	4,80,000
To Purchases	3,00,000	By Closing Stock	70,000
To Gross Profit c/d	2,00,000		
	<b>5,50,000</b>		<b>5,50,000</b>
To Salaries	40,000	By Gross Profit b/d	2,00,000
To Rent	20,000		
To Depreciation	60,000		
To Net Profit	80,000		
	<b>2,00,000</b>		<b>2,00,000</b>

**Additional Information :**

	As on 31-03-2019	As on 31-03-2020
Debtors	40,000	60,000
Creditors	30,000	20,000
Salaries Outstanding	4,000	6,000
Prepaid Rent	2,000	3,000

30. Prepare a Cash Budget from the following data for the month of October 2012.

Particulars	Rs.
Cash in hand on 01-10-2012	45,000
Sales for September 2012	1,60,000
Sales for October 2012	1,50,000
Purchase for September 2012	60,000
Purchase for October 2012	80,000
Wages for October 2012	20,000
Administrative Expenses for October 2012	10,000
Selling and Distribution Expenses for October 2012	15,000

Purchases are paid in the month following the month of purchase. 50% of sales is realised in the month of sales and the remaining in the month following. (8×2=16)