



K18U 0173

Reg. No. :

Name :

VI Semester B.Com. Degree (CBCSS – Reg./Supple./Imp.)
Examination, May 2018
Core Course
6B15 COM : MANAGEMENT ACCOUNTING
(2014 Admn. Onwards)

Time : 3 Hours

Max. Marks : 40

PART – A

Answer **all** questions. **Each** question carries $\frac{1}{2}$ marks.

1. Marginal cost is the _____ cost of producing an additional unit of output.
2. _____ is concerned with providing information to management for taking managerial decisions.
3. Labour Cost Variance is equal to _____ cost of labour _____ cost of labour.
4. _____ budget is consolidated summary of the various financial budgets.

(4× $\frac{1}{2}$ =2)

PART – B

Answer **any four** questions. **Each** question carries 1 mark.

5. What is marginal costing ?
6. What is Acid Test Ratio ?
7. What is angle of incidence ?
8. What do you mean by flexible budget ?
9. What is standard costing ?
10. What do you mean by cash flow statement ?

(4×1=4)

P.T.O.



PART – C

Answer **any six** questions (**not** exceeding **one** page). **Each** question carries **3** marks.

11. State the difference between financial accounting and management accounting.
12. What are the objectives of management accounting ?
13. What is common size statements ?
14. What is marginal costing ? Discuss its advantages.
15. Find out :
 - i) Current assets when current ratio is 2.6 : 1 and current liabilities are Rs. 40,000.
 - ii) Find out quick ratio when current assets are Rs. 1,20,000, Current liabilities are Rs. 80,000 and value of inventory is Rs. 40,000.
 - iii) Calculate gross profit ratio when total sales is Rs. 5,40,000, Sales return is Rs. 40,000 and cost of goods sold is Rs. 4,00,000.

16. From the following information calculate :

- 1) P/V ratio
- 2) Breakeven point in units
- 3) Breakeven point in value

Selling price per unit Rs. 20

Variable cost per unit Rs. 12

Fixed costs Rs. 32,000.

17. From the following information, calculate the material variances :

Standard material required to manufacture one unit of product X = 10 Kg.

Standard price per Kg. of material = Rs. 2.50

Material used = 11,500 kg

Cost of material = 27,600

Units manufactured = 1,000 units.

18. Prepare a comparative statement from the following data :

| | 2016 (in lakhs) | 2017 (in lakhs) |
|-------------------------|--------------------|--------------------|
| Net sales | 600 | 750 |
| Cost of goods sold | 400 | 600 |
| Administrative expenses | 20 | 20 |
| Selling expenses | 10 | 10 |
| Net profit | 170 | 120 |

(6×3=18)



PART – D

Answer **any two** questions. **Each** question carries **8** marks.

19. The following information obtained from the records of Ram and Company Limited.

Sales Rs. 20,000

Variable costs Rs. 10,000

Fixed cost Rs. 6,000.

- a) Find P/V ratio
- b) Break even point
- c) Margin of safety.

Calculate the effect of the following on P/V ratio, breakeven point and Margin of safety :

- i) 20% decrease in fixed costs
- ii) 10% increase in selling price
- iii) 10% decrease in variable cost.

20. The expenses budgeted for production of 10,000 units in a company are given below :

| | Rs. per unit |
|--|---------------------|
| Material | 70 |
| Labour | 25 |
| Variable factory overheads | 20 |
| Fixed factory overheads (Rs. 1,00,000) | 10 |
| Variable expenses (direct) | 5 |
| Selling expenses (10% fixed) | 13 |
| Distribution expenses (20% fixed) | 7 |
| Administration expenses (Rs. 50,000) | 5 |
| Total cost of sales per unit | 155 |

You are required to prepare a budget for the production of 8,000 units.



21. The Balance Sheet of XYZ Ltd., presents you the following Balance Sheets for the year ended 31-12-2016 and 31-12-2017 and some additional information. Prepare cash flow statement :

| Balance Sheet | | | | | |
|-----------------------------------|-------------------|-------------------|---------------|-------------------|-------------------|
| Liabilities | 31-12-2016 | 31-12-2017 | Assets | 31-12-2016 | 31-12-2017 |
| Share capital | 1,00,000 | 1,00,000 | Cash | 10,000 | 7,200 |
| General Reserve | 1,00,000 | 1,00,000 | Debtors | 70,000 | 76,800 |
| P/L Account | 96,000 | 98,000 | Stock | 50,000 | 44,000 |
| Current Liabilities | 72,000 | 82,000 | Land | 40,000 | 60,000 |
| Loan from associate Company | — | 40,000 | Buildings | 1,00,000 | 1,10,000 |
| Loan from Bank | 62,000 | 50,000 | Machinery | 1,60,000 | 1,72,000 |
| | 4,30,000 | 4,70,000 | | 4,30,000 | 4,70,000 |

During the year Rs. 52,000 was paid as individuals. The provision for depreciation against machinery as on 31-12-2016 was Rs. 54,000 and on 31-12-2017 Rs. 72,000. You are required to prepare the Cash Flow Statement. (2×8=16)