Reg.No. \_\_\_\_\_\_\_\_\_\_\_\_

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**End Semester Examination – Nov/Dec – 2018**

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| **Code :** | **18PA2005** | **Duration :** | **3hrs** |
| **Sub. Name :** | **MANAGEMENT ACCOUNTING** | **Max. marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Q. No.** | **Sub Div.** | **Questions** | **Course**  **Outcome** | **Marks** |
| 1. |  | From the following Profit and loss account and Balance sheet for the year ended 2005 and 2006. You are required to prepare a comparative income statement and a comparative Balance sheet,  **PROFIT AND LOSS ACCOUNT**  **Rs.in lakhs**   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | **2005** | **2006** |  | **2005** | **2006** | | To Cost of goods sold | 500 | 640 | By Net Sales | 700 | 900 | | To Operating expenses: |  |  |  |  |  | | Administrative | 20 | 20 |  |  |  | | Selling | 30 | 40 |  |  |  | | To Net Profit | 150 | 200 |  |  |  | |  | 700 | 900 |  | 700 | 900 | | **BALANCE SHEET AS ON 31st DECEMBER** | | | | | | | **LIABILITIES** | 2005 | 2006 | **ASSETS** | 2005 | 2006 | | Bills payable | 50 | 75 | Cash | 50 | 70 | | Tax payable | 100 | 150 | Debtors | 300 | 450 | | Sundry Crs. | 150 | 200 | Stock | 100 | 200 | | 15% Debentures | 100 | 150 | Land | 100 | 120 | | 10% pref. capital | 200 | 200 | Buildings | 250 | 225 | | Equity capital | 300 | 300 | Plant | 200 | 180 | | reserves | 200 | 250 | furniture | 100 | 80 | |  | 1,100 | 1,325 |  | 1,100 | 1,325 | | CO1 | 20 |
| **(OR)** | | | | |
| 2. | a. | From the following figures extracted from the Annual Report of a Pentagon Ltd.  Prepare a Common size income statement   |  |  |  |  | | --- | --- | --- | --- | | **Details** | **2005** | **2006** | **2007** | | Sales Revenue | 950 | 1000 | 1200 | | Cost of Materials | 200 | 250 | 150 | | Labour cost | 175 | 150 | 200 | | Other conversion cost | 175 | 140 | 150 | | **Total Manufacturing cost** | **550** | **540** | **500** | | Gross Profit | 400 | 460 | 700 | | Operating Expenses | 180 | 200 | 300 | | Profit | 220 | 260 | 400 | | CO3 | 10 |
| b. | From the following Balance Sheet, Prepare a Common Size Statement   |  |  |  | | --- | --- | --- | |  | **2005** | **2006** | | **Assets** |  |  | | Cash | 27000 | 31500 | | Debtors | 220000 | 211000 | | Stock | 100000 | 126000 | | Prepaid expenses | 11000 | 21000 | | Bills Receivable | 10000 | 10500 | | Fixed Assets | 635000 | 650000 | | **Total** | **1003000** | **1050000** | |  |  |  | | **Liabilities & Capital** |  |  | | Share capital | 658000 | 700000 | | Long term debt | 225000 | 200000 | | Sundry Creditors | 42000 | 50000 | | Other Liabilities | 78000 | 100000 | | **Total** | **1003000** | **1050000** | | CO3 | 10 |
|  |  |  |  |  |
| 3. | a. | From the following data relating to the assets side of the Balance Sheet of Bharat Ltd. For the period 31st December 2003 to 2006. You are required to calculate the trend percentages taking 2003 as the base year.  (Rupees in thousand)   |  |  |  |  |  | | --- | --- | --- | --- | --- | | Assets | As on 31st December | | | | |  | 2003 | 2004 | 2005 | 2006 | | Cash | 100 | 120 | 80 | 140 | | Debtors | 200 | 250 | 325 | 400 | | Stock in trade | 300 | 400 | 350 | 500 | | Other current assets | 50 | 75 | 125 | 150 | | Land | 400 | 500 | 500 | 500 | | Building | 800 | 1,000 | 1,200 | 1,500 | | plant | 1,000 | 1,000 | 1,200 | 1,500 | |  | 2,850 | 3,345 | 3,780 | 4,690 | | CO1 | 15 |
|  | b. | Narrate any five roles of management accountant. | CO2 | 5 |
| **(OR)** | | | | |
| 4. | a. | What do mean by Performance Measurement? Describe the financial and non financial performance indicators | CO5 | 10 |
| b. | What do you mean by Balance Score Card? Explain its four perspectives | CO6 | 10 |
|  |  |  |  |  |
| 5. |  | **Prepare Cash flow statement**   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Liabilities** | **2016** | **2017** | **Assets** | **2016** | **2017** | | Equity share capital | 3,00,000 | 4,00,000 | Goodwill | 1,15,000 | 90,000 | | Preference share capital | 1,50,000 | 1,00,000 | Land &building | 2,00,000 | 1,70,000 | | General reserve | 40,000 | 70,000 | Plant | 80,000 | 2,00,000 | | Profit &loss a/c | 30,000 | 48,000 | Debtors | 1,60,000 | 2,00,000 | | Proposed dividend | 42,000 | 50,000 | Stock | 77,000 | 1,09,000 | | Creditors | 55,000 | 83,000 | Bills receivable | 20,000 | 30,000 | | Bills payable | 20,000 | 16,000 | Cash in hand | 15,000 | 10,000 | | Provision for taxation | 40,000 | 50,000 | Cash at bank | 10,000 | 8,000 | |  | 6,77,000 | 8,17,000 |  | 6,77,000 | 8,17,000 |   Additional Information:   1. Depreciation of Rs.10,000 and Rs.20,000 has been charged on plant and land and building respectively 2. Dividend of Rs.20,000 has been paid in2017 3. Income tax Rs. 35,000 was paid in 2017 | CO4 | 20 |
|  |  |  |  |  |
|  |  | **(OR)** |  |  |
| 6. | a. | Prepare schedule of changes in working capital   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | Liabilities | 2010 | 2011 | Assets | 2010 | 2011 | | Share capital | 10,000 | 10,000 | Goodwill | 1,200 | 1,200 | | General Reserve | 1,400 | 1,800 | Land | 4,000 | 3,600 | | Profit and loss a/c | 1,600 | 1,300 | Building | 3,700 | 3,600 | | Sundry creditors | 800 | 540 | Inventories | 3,000 | 2,340 | | Outstanding expenses | 120 | 80 | Debtors | 2,000 | 2,220 | | Provision for taxation | 1600 | 1800 | Bank | 660 | 1,520 | | Provision for bad debts | 40 | 60 | Investment (short term) | 1,000 | 1,100 | |  | 15,560 | 15,580 |  | 15,560 | 15,580 | | CO4 | 15 |
| b. | Distinguish between cash flow and fund flow statement. | CO4 | 5 |
|  | | | | |
| 7. |  | The expenses budget for production of 10,000 units in a factory are furnished below:  Per unit in Rs.  Material 70  Labour 25  Variable overheads 20  Fixed expenses (Rs.1,00,000) 10  Variable Expenses (direct) 5  Selling expense (10% fixed) 13  Distribution expense (20% Fixed) 7  Administration expense 5  Total cost per unit 155  Prepare a budget for production of a) 8,000 units and b) 6,000 units  Indicate cost per unit at both levels  Assume that administration expenses are fixed for all the levels of production. | CO5 | 20 |
| **(OR)** | | | | |
| 8. |  | Prepare a Cash Budget for the month of May, June and July on the basis of the following information:   |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | month | Sales | Purchases | wages | Factory expenses | Office expenses | Selling expenses | | March | 60,000 | 36,000 | 9,000 | 4,000 | 2000 | 4,000 | | April | 62,000 | 38,000 | 8,000 | 3,000 | 1,500 | 5,000 | | May | 64,000 | 33,000 | 10,000 | 4,500 | 2,500 | 4,500 | | June | 58,000 | 35,000 | 8,500 | 3,500 | 2000 | 3,500 | | July | 56,000 | 39,000 | 9,500 | 4,000 | 1,000 | 4,500 | | August | 60,000 | 34,000 | 8,000 | 3,000 | 1,500 | 4,500 |  1. Cash balance as on 1st May Rs.8,000 2. Plant costing Rs.16,000 is due for delivery in July payable 10% on delivery and balance after three months 3. Advance Tax Rs.8,000 is payable in march and June each. 4. Period of credit allowed(1) by suppliers 2 months and(2) to customers 1 month. 5. Lag in payment of manufacturing expenses ½ month 6. Lag in payment of all other expenses one month. | CO5 | 20 |
|  | |  |  |  |
|  | | **Compulsory**: |  |  |
| 9. | a. | Calculate a) current asset b) liquid asset c )inventory  Current Ratio = 2  Liquid Ratio = 1.5  Current liabilities = Rs. 80,000 | CO2 | 8 |
| b. | From the following particulars of X company calculate   1. Sales 2. Debtors 3. Closing stock 4. Creditors   Debtors velocity -3 months  Stock turnover ratio -8 times  Creditors velocity- 2months  Gross profit ratio- 25%  Gross profit for the year was Rs.4,00,000. Closing stock was Rs. 10,000 more than the opening stock. | CO2 | 12 |