

Reg. No

Name

18P3610**M. COM DEGREE END SEMESTER EXAMINATION - OCTOBER 2018****SEMESTER 3 : COMMERCE****COURSE : 16P3COMT11 : MANAGEMENT ACCOUNTING***(For Regular - 2017 Admission & Supplementary - 2016 Admission)*

Time : Three Hours

Max. Marks: 75

Section A**Answer any 10 (2 marks each)**

1. What are the objectives of financial statements?
2. What is Management Accounting?
3. What is common size income statement?
4. Name three current asset movement ratios
5. Discuss Du-Pont Chart.
6. What is GPS?
7. What do you understand by flow of funds?
8. Distinguish between Fund Flow Statement and Income Statement
9. What is COSA?
10. What is backlog depreciation?
11. What are sources of cash inflow?
12. Where does the interest paid on bank loans get reported on the statement of cash flows

(2 x 10 = 20)**Section B****Answer any 5 (5 marks each)**

13. Briefly discuss the various steps involved in the installation of Management Accounting System.
14. "Ratio analysis is a tool to examine the health of business with a view to make financial results more intelligible" Explain.
15. Gross profit ratio is 20% on sales
Total Gross profit is 1,00,000
Cash sales 1,20,000
Average Debtor 95,000
Calculate Debtor Turnover Ratio?
16. What are the uses of Fund Flow Statement?
17. Calculate the amount of depreciation under CCA method for each of the year as well the backlog depreciation for a certain item of the assest from the following details:
Cost of Machine Rs. 40,000
Estimated life 4 years
Residual value Nil
Inflation factor 10 %
Assume straight line method of depreciation.

18. Explain Gearing adjustment.
19. What are the various methods of Management Reporting?
20. What is the difference between the Cash Flow and Funds Flow statements?

(5 x 5 = 25)

Section C
Answer any 3 (10 marks each)

21. 'The managerial objectives of accounting are to provide data to help the management in planning, decision making, coordinating and controlling operations' Discuss.
22. From the following accounting ratios and other information, prepare Trading, P&L A/c and Balance Sheet for the year ended 31-03-2018.

GP Ratio	25%
Net Profit/ Sales	20%
Stock Turnover Ratio	10
Net Profit / Capital	1/5
Capital / Total Liabilities	1/2
Fixed Assets/ Capital	5/4
Fixed Assets / Total Current Assets	5/7
Fixed Assets	Rs. 10,00,000
Closing Stock	Rs. 1,00,000

23. What are the causes for changes in working capital? Explain
24. The following are the Balance sheets of XYZ company limited

Liabilities	2016	2017	Assets	2016	2017
Equity Share Capital	2,00,000	2,00,000	Land and Buildings at cost	1,00,000	1,00,000
Profit and Loss Account	15,000	20,000	Plant and Machinery at cost Rs. 1,50,000 purchased in 2013)	75,000	67,500
Sundry Creditors	25,000	30,000	Inventories	30,000	37,500
			Sundry Debtors	20,000	25,000
			Cash	15,000	20,000
	2,40,000	2,50,000		2,40,000	2,50,000

The General Price Index was 100 in 2003 (base year), 200 in 2016 and 250 in 2017. No dividend was paid in 2017.

You are required to prepare:

1. Supplementary Income Statement at current values
2. Supplementary Comparative Balance Sheet at current values.

25. Good luck Limited has submitted the following condensed Balance Sheets as on 31st December, 2017 and 31st December, 2018 and the Statement of Income and Reconciliation of Retained Earnings for the year ended 31st December, 2018:

Balance Sheets					

Liabilities	2017	2018	Assets	2017	2018
Share Capital	3,00,000	4,00,000	Fixed Assets	7,00,000	8,00,000
General Reserve	80,000	1,00,000	Less: Accumulated Depreciation	2,25,000	2,60,000
Retained Earnings	60,000	90,000		4,75,000	5,40,000
6% Debentures	2,00,000	1,25,000	Stock	1,25,000	2,00,000
Loans on Mortgage		40,000	Sundry Debtors.	1,80,000	1,50,000
Sundry Creditors.	1,85,000	1,05,000	Cash in hand/Bank	95,000	89,000
Wages Outstanding	3,000	5,000	Prepaid Expenses	3,000	6,000
Provision for Income tax	75,000	1,40,000	Preliminary Expenses	25,000	20,000
	9,03,000	10,05,000		9,03,000	10,05,000

Statement of Income and Reconciliation of Retained Earnings		
For the year ended 31st December 2018	Rs.	Rs.
Sales		15,00,000
Less: Cost of Goods Sold:		
Stock	1,25,000	
Add: Purchases	10,00,000	
	11,25,000	
Less: Stock on 31st Dec. 2018	2,00,000	9,25,000
		5,75,000
Less: Wages		40,000
Gross Income		5,35,000
Less: Sundry Expenses	2,05,000	
Preliminary Expenses written off	5,000	
Depreciation	35,000	2,45,000
		2,90,000
Less: Provision for Income tax		1,40,000
		1,50,000
General Reserve	20,000	
Dividend Paid	1,00,000	1,20,000
Net Income for the year (retained)		30,000
Add: Retained Earnings on 31-12-2017		60,000
		90,000

Additional Information: During 2016, the company purchased a building for Rs. 1,00,000. You are required to prepare Cash Flow Statement for the year ended 31st December 2018.

(10 x 3 = 30)