LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – **COMMERCE**

SIXTH SEMESTER – **APRIL 2023**

16/17/18UCO6MC01 – MANAGEMENT ACCOUNTING

Date: 29-04-2023 Dept. No. Max. : 100 Marks
Time: 09:00 AM - 12:00 NOON

Part A
Answer ALL questions 10X2=20

1) What is marginal costing?
2) Write a short note on ratio analysis?
3) How do you define the term budget?
4) What is variance analysis?
5) Write a short note cash flow statement?
6) How does marginal costing differ from absorption costing?
7) What is the current ratio?
8) How do you define a flexible budget?
9) Write a short note on direct cost?
10) What is a profit and loss statement?

PART B
Answer any FOUR questions 4X10=40

11) Enumerate the notable attributes of Management Accounting.
12) Contrast management accounting with financial accounting.
13) Elaborate on the merits of employing Marginal Costing.
14) An automobile manufacturing company finds that the cost of making Part No.208 in its own workshop is` 6 .The same part is available in the market at ` 5.60 with an assurance of continuous supply. The cost data to make the part are

Material	` 2
Direct Labour	` 2.50
Other variable Expenses	` 0.50
Fixed cost allocated	`0.1

	` 6
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a) Should the part be made or bought?
b) Will your answer be different if the market price is ` 4.60
Show your calculations clearly.

15) The following are the summarised balance sheet of Aparna Ltd as at 31st December 2009 and 2010. Prepares Schedule of changes in working capital.

Liabilities	*2009 `*	*2010 `*	*Assets*	*2009 `*	*2010 `*
Capital :					
Equity shares	1,00,000	1,00,000	Fixed assets	95,000	1,20,000
Preference shares	----	50,000	Investments	-------	10,000
General reserves	30,000	40,000	Current assets :		
Profit and loss a/c	25,000	70,000	Stock	40,000	60,000
Current liabilities			Debtor	20,000	40,000
Creditors	20,000	10,000	B/R	5,000	2,000
Bills payable	-----	2,000	Prepaid expenses	5,000	18,000
Overdraft	3,000	------	Cash	20,000	10,000
Taxation provision	7,000	12,000	Advance	10,000	40,000
Proposed dividend	10,000	16,000			
	1,95000	3,00,000		1,95000	3,00,000

16) From the following information calculate MCV,MMV,MUV,MPV,MYV

Material	**Standard**		**Actual**	
	Quantity unit	Price `	Quantity unit	Price `
A	500	6	400	6
B	400	3.75	500	3.60
C	300	3	400	2.80
	1200		**1300**	
Normal loss10%	120	Actual loss	220	
	1080		1080	

17) From the following details find out

a) Current assets b) Current liabilities
c) Liquid assets d) Stock

Current Ratio 2.5
Liquid Ratio 1.5
Working Capital ` 90,000

PART C

Answer any TWO questions 2X20=40

18) With the following ratios and further information given below, prepare a Trading, Profit& Loss Account and Balance Sheet.

Gross profit ratio	25%
Net profit ratio	20%
Stock turnover ratio	10
Net capital/Capital	1/5
Capital to total Liabilities	½
Fixed assets/capital	5/4
Fixed assets /total current assets	5/7
Fixed assets	` 10,00,000
Closing stock	` 1,00,000

19) The cost of an article at a capacity level of 10000 units is given under. For a variation in capacity above or below this level, the individual expenses vary as indicated in B below

	A `	B
Material Cost	50000	100% varying
Labour Cost	30000	100% varying
Power	3000	80% varying
Repairs and maintenance	3500	80% varying

Stores	2000	100% varying
Inspection	800	25% varying
Depreciation	10000	100% varying
Administrative overhead	3600	25 % varying
Selling overhead	4500	50% varying
Total	107400	
Cost per unit	10.74	

Find out the unit cost of the product under each individual expenses at production level of 8000 units and 12000 units

20) The following are the comparative Balance Sheets of Good Luck co.as at 31st December

Liabilities	2009 `	2010 `	Assets	2009 `	2010 `
Share capital	10,00,000	11,00,000	Good will	50,000	40,000
Debentures	5,00,000	3,00,000	Land & Building	4,20,000	6,60,000
General reserve	2,00,000	2,00,000	Plant and machinery	6,00,000	8,00,000
Profit and loss account	1,10,000	1,90,000	Stock	2,50,000	2,10,000
Income tax provision	40,000	1,10,000	Debtors	3,00,000	2,40,000
Creditors	50,000	40,000	Cash	3,00,000	24,000
Bills payable	20,000	30,000	Preliminary expenses	30,000	20,000
Provision for doubtful debts	30,000	24,000			
	19,50,000	19,94,000		19,50,000	19,94,000

Additional information

a) During the year 2010,a part of the machinery costing ` 7500(accumulated depreciation there on being ` 2500 was sold for ` 3000
b) Dividend for ` 1,00,000 was paid during the year ended 31st December 2010
c) Income tax ` 50,000 was paid during the year 2010
d) Depreciation for the year 2010 was provided as follow s
   Land and building ` 10,000
   Plant and machinery ` 50,000

You are required to prepare:

i. Schedule of changes in working capital
ii. A statement showing the sources and applications of fund.

21) A group of workers normally consist of 30 men, 15 women, and 10 boys . They are paid a standard hourly rates as under:

Men ` 0.80
Women ` 0.60
Boys ` 0.40

In a normal working week of 40 hours, the group is expected to produce 2,000 units of output. During the week ended 31st December the group consisted of 40 men, 10 women and 5 boys. The actual wages were paid @` 0.70, ` 0.65 and ` 0.30 respectively. 4 hours were lost due to abnormal idle time and 1600 units were produced. Calculate Labour Variance.

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