



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

SIXTH SEMESTER – APRIL 2025



16/17/18UBC6MC04 – MANAGEMENT ACCOUNTING

Date: 09-05-2025

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

SECTION A

Answer ANY FOUR of the following

(4 x 10 = 40 Marks)

1. Discuss in detail about various tools of Financial Statement Analysis.
2. A company purchase goods both on cash as well as on credit terms. The following particulars are obtained from the books.

Particulars	Rs.
Total purchases	3,00,000
Cash purchases	30,000
Purchase returns	51,000
Creditors at the end	1,05,000
Bills payable at the end	60,000
Reserve for discount on creditors	8,000

Calculate average payment period.

3. The following details are available for Akash limited

You are required to prepare statement of changes in working capital

Particulars	1/4/99	31/3/2000
Bills payable	5,000	8,000
Creditors	12,000	16,000
Outstanding expenses	2,000	1,000
Bills receivable	20,000	18,000
Debtors	40,000	60,000
Prepaid expenses	2,000	3,000
Accrued incomes	5,000	8,000
Income received in advance	2,000	1,000

4. A cycle manufacturing company finds that while it costs Rs 7.50 each to make component X, the same is available in the market at Rs 6.75 each, with an assurance of continuous supply. The break down of costs is

Materials	2.75
Labour	1.75
Variable cost	0.50
Depreciation and other fixed cost	2.50
Total cost	7.50

(i). Should you Make or Buy the component.

(ii). What will be your decision if the supplier offered the component at Rs 4.50 each?

5. The expenses for the production of 5,000 units are as follows.

Particulars	Rate (p/u)
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs 50,000)	10
Administrative expenses (5% variable)	10
Selling expenses (20% fixed)	6
Distribution expenses (10% fixed)	5
Total cost	116

Prepare budget for 7,000 units

6. What are various types of ratios?

7. a). Calculate break even point units and value, from the following

Sales 1,000 units at Rs 10 each	Rs 10,000
Variable cost	Rs 6 per unit
Fixed cost	Rs 8,000

(b). If the selling price is reduced to Rs 9 what is the new Break even point units and value.

8. Explain the importance of Zero base budgeting.

SECTION B

Answer ANY THREE of the following

(3 x 20 = 60 Marks)

9. From the following information prepare a statement of Proprietor's Fund of XYZ Co Ltd. For the year ended 31/12/05, and find out

- (i). Current Assets
- (ii). Current Liabilities
- (iii). Stocks
- (iv). Fixed Assets

Particulars	Values
Current ratio	2.5
Liquid ratio	1.5
Fixed assets to proprietors fund	0.75
Working capital	60,000
Reserves and surplus	40,000
Bank overdraft	10,000

There is no long-term loan or fictitious asset.

10. Explain Break - Even chart, with its merits and its application in a market condition.

11. The comparative balance sheets of Mr. Max for two years were as follows.

Liability	2022	2023	Assets	2022	2023
Capital	1,50,000	1,75,000	Land & building	1,10,000	1,50,000
Loan from bank	1,60,000	1,00,000	Machinery	2,00,000	1,40,000
Creditors	90,000	1,00,000	Stock	50,000	45,000
Bills payable	50,000	40,000	Debtors	70,000	80,000
Loans from IFL	-	25,000	Cash	20,000	25,000
Total	4,50,000	4,40,000	Total	4,50,000	4,40,000

Additional information

Net profit for the year 2023 amounted to Rs 60,000. During the year a machine costing Rs 25,000 (accumulated deprecation Rs 10,000) was sold for Rs 13,000. the provision for depreciation against machinery as on 31-12-22 was Rs 50,000 and on 31-12- 23 was Rs 85,000. you are required to prepare a fund flow statement

12. Explain Zero Base Budgeting.

13. The R ltd furnishes you the following information

Particulars	First year	Second year
Sales	8,10,000	10,26,000
Profit	21,600	64,800

You are required to compute following

- Profit volume ratio
- Fixed cost
- The amount of profit when sales are RS 6,48,000
- The amount of sales required to earn a profit of RS 1,08,000

14. The following particulars are obtained from the record of a company manufacturing two products P and R

	Per unit	
	Product P Rs	Product R Rs
Selling price	200	400
Material cost (Rs 20 per Kg)	40	100
Direct wages (Rs 6 er hour)	60	120
Variable overheads	20	40

Total fixed overhead is Rs 10,000

Comment on profitability of each product when production capacity in hours is the limiting factor.
