



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – CORPORATE SECRETARYSHIP

SIXTH SEMESTER – APRIL 2025

UBC 6502 – MANAGEMENT ACCOUNTING



Date: 26-04-2025

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

SECTION A - K1 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

1. Fill in the blanks.

- Management accounting provides alternative choices for managerial _____.
- In current ratio, the numerator is _____.
- Margin of safety is the sales above the _____ level of sales.
- Dividends received is an _____ source of funds.
- Sales and _____ budgets are interlinked.

2. True or False

- Management Accounting helps in raising finance.
- A high pay ratio implies liquidity of a company.
- Make or buy decision ignores fixed cost.
- Preliminary expenses written off is a 'non-fund' expenditure.
- Material consumption budget is based on sales.

SECTION A - K2 (CO1)

Answer ALL the Questions

(10 x 1 = 10)

3. Answer the following.

- State the purpose of Financial statement analysis.
- What is meant by Ratio?
- Examine the need for Marginal costing.
- State the purpose of Fund Flow Statement.
- Bring out the need for Budgeting.

4. Match the following.

- Management - Profitability ratio.
- EPS - Marginal Cost.
- Variable cost - Decision Making tool.
- Depreciation - Comparison of actual performance with budgets.
- Control ratio - Non fund item.

SECTION B - K3 (CO2)**Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

5. Explain the tools and techniques of Management Accounting.

6. From the following information relating to Raja Bros Ltd., you are required to find out
 (a) P/V Ratio (b) Break even point (c) Profit (d) Margin of safety (e) Volume of sales to earn profit of Rs.6,000.

Particulars	Rs.
Total Fixed cost	4,500
Total Variable cost	7,500
Total Sales	15,000

7. Compute funds from operations from the following details

P & L A/c as on 31.03.2022- ₹.1,00,000.

P & L a/c as on 31.03.2023- ₹.1,50,000.

Depreciation charged on assets- ₹.10,000.

Preliminary expenses written off- ₹.5,000.

Amount transferred to general reserve- ₹.15,000.

A machine of book value Rs.60,000 sold for ₹.65,000.

Interim dividend paid- ₹.10,000.

8. Elaborate the advantages of Budgetary Control.

SECTION C – K4 (CO3)**Answer any TWO of the following in 100 words each.****(2 x 10 = 20)**

9. From the following particulars, prepare cost statements under:

a. Absorption Costing

b. Marginal Costing

No. of units produced : 20,000.

Particulars	Cost per unit (₹)
Material	10
Productive Labour	6
Factory Overheads	4 (50% fixed)
Administration Expenses	3 (60% fixed)
Selling Overheads	2(100% variable on units sold)

No. of units sold : 19,000.

Selling Price : Rs. 40 per unit.

10. You are required to calculate the following
a) Working capital turnover; b) Fixed assets turnover; c) Capital turnover ratio.
The information available is as under:-
Capital employed ₹.4,00,000; Current assets ₹ 2,00,000; Current liabilities ₹ 40,000; Net fixed assets ₹ 2,50,000 ; Sales ₹ 5,00,000.

11. The expenses budgeted for production of 1,000 units in a factory are furnished below:-

Particulars	Per Unit (₹)
Material cost	700
Labour cost	250
Variable overheads	200
Selling expenses (20 % fixed)	130
Administrative expenses (₹.2,00,000)	200
Total Cost	1,480

Prepare a budget for production of 600 units and 800 units assuming administrative expenses are rigid for all level of production.

12. Explain the external sources of funds and its application.

SECTION D – K5 (CO4)

Answer any ONE of the following in 250 words (1 x 20 = 20)

13. The following figures relate to the trading activities of a company for the year ended 31-12-1987

Particulars	₹	Particulars	₹
Sales	1,00,000	Salary of Salesmen	1,800
Purchases	70,000	Advertising	700
Closing Stock	14,000	Travelling expenses	500
Sales returns	4,000	Salaries (Office)	3,000
Dividend Received	1,200	Rent	6,000
Profit on sale of fixed assets	600	Stationary	200
Loss on sale of shares	300	Depreciation	1,000
Opening Stock	11,000	Other expenses	2,000
		Provision for tax	7,000

You are required to calculate following ratios:

- Gross Profit ratio .
- Operating Profit ratio.
- Operating ratio.
- Net Profit ratio.

14. Elaborate the Scope of Management accounting in detail.

SECTION E – K6 (CO5)

Answer any ONE of the following in 250 words

(1 x 20 = 20)

15. From the following Balance Sheet of “A” Ltd. as on 31st December 2005 and 2006, you are required to prepare:

- A. Schedule of changes in Working Capital
B. Fund Flow Statements.

Balance Sheet

Liabilities	2005 ₹	2006 ₹	Assets	2005 ₹	2006 ₹
Share Capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General Reserve	14,000	18,000	Building	40,000	36,000
P & L A/c	16,000	13,000	Plant	37,000	36,000
Creditors	8,000	5,400	Investments	10,000	11,000
Bills Payable	1,200	800	Stock	30,000	23,400
Provision for Taxation	16,000	18,000	Bills receivable	2,000	3,200
Provision for doubtful debts	400	600	Debtors	18,000	19,000
			Cash at bank	6,600	15,200
	1,55,600	1,55,800		1,55,600	1,55,800

Additional information is given: -

- a) Depreciation : Plant – Rs. 4,000 and Building – Rs. 4,000.
b) Provision for taxation of Rs. 19,000 was made during the year 2006.
c) Interim dividend of Rs. 8,000 was paid during the year 2006.

16. Suraj Co Ltd wishes to arrange overdraft facilities with its bankers from the period August to October 2022. Prepare a cash budget for the above period from the following data given below.

Month	Sales	Purchases	Wages	Mfg.Exp	Off.Exp	Selling Exp
June	1,80,000	1,24,800	12,000	3,000	2,000	2,000
July	1,92,000	1,44,000	14,000	4,000	1,000	4,000
August	1,08,000	2,43,000	11,000	3,000	1,500	2,000
September	1,74,000	2,46,000	12,000	4,500	2,000	5,000
October	1,26,000	2,68,000	15,000	5,000	2,500	4,000
November	1,40,000	2,80,000	17,000	5,500	3,000	4,500
December	1,60,000	3,00,000	18,000	6,000	3,000	5,000

Additional Information: -

- a) Cash on hand 01/08/2022. Rs.25,000
b) 50% of credit sales are realized in the month following the sale and the remaining 50% in the second month following.
c) Creditors are paid in the month following month of purchase.
d) Lag in payment of manufacturing expenses half month.
e) Lag in payment of other expenses one month.
