



LOYOLA COLLEGE (AUTONOMOUS) CHENNAI – 600 034

B.Com. DEGREE EXAMINATION – COMMERCE

SIXTH SEMESTER – APRIL 2025

UCO 6501 – MANAGEMENT ACCOUNTING



Date: 23-04-2025

Dept. No.

Max. : 100 Marks

Time: 09:00 AM - 12:00 PM

SECTION - A

Answer ANY FOUR of the following.

(4 × 10 = 40 Marks)

1. Explain the functions of Management Accounting.
2. Differentiate between Funds Flow Statement and Balance Sheet.
3. What are the objectives of Cash Flow Statement?
4. The following data relates to a company:
 Sales : ₹5,00,000
 Variable Costs : ₹3,00,000
 Fixed Costs : ₹1,00,000
 Calculate:
 A. P/V Ratio
 B. Break-Even Point (in ₹)
 C. Margin of Safety (in ₹)
5. From the following information, prepare a Funds Flow Statement:

Liabilities and Assets	2024 (₹)	2025 (₹)
Share Capital	2,00,000	2,50,000
General Reserve	50,000	75,000
Debentures	1,00,000	50,000
Creditors	40,000	60,000
Land and Building	1,50,000	2,00,000
Plant and Machinery	1,20,000	1,00,000
Stock	80,000	90,000
Debtors	60,000	80,000
Cash	20,000	45,000

 Additional Information: Dividend paid during the year ₹20,000.
6. Prepare a Cash Flow Statement using the following information (using the indirect method):

Particulars	2024 (₹)	2025 (₹)
Profit and Loss A/c	80,000	1,20,000
Debtors	20,000	30,000
Creditors	15,000	10,000
Outstanding Expenses	5,000	7,000
Prepaid Expenses	3,000	2,000
Depreciation on Fixed Assets	10,000	12,000

 Additional Information: Dividend paid ₹15,000.

7.	<p>A company has the following data:</p> <p>Standard Material Cost: ₹20 per unit (4 kg @ ₹5/kg)</p> <p>Actual Production: 1,000 units</p> <p>Actual Material Used: 4,200 kg</p> <p>Actual Material Cost: ₹23,100</p> <p>Calculate:</p> <p>A. Material Cost Variance</p> <p>B. Material Price Variance</p> <p>C. Material Usage Variance</p>
8.	<p>The following information is available:</p> <p>Budgeted Sales : 10,000 units @ ₹10 per unit</p> <p>Actual Sales : 12,000 units @ ₹9 per unit</p> <p>Calculate:</p> <p>A. Sales Value Variance</p> <p>B. Sales Volume Variance</p> <p>C. Sales Price Variance</p>

SECTION - B

Answer ANY THREE of the following. (3 × 20 = 60 Marks)

9.	What is Zero Based Budgeting? What are the advantages and limitations of Budgetary Control?
10.	Define Ratio Analysis. Explain the Traditional Classification of Ratios
11.	<p>The following data relates to a product:</p> <p>Selling Price per unit: ₹50</p> <p>Variable Cost per unit: ₹30</p> <p>Fixed Costs: ₹2,00,000</p> <p>Actual Sales: 15,000 units</p> <p>Calculate:</p> <p>A. P/V Ratio</p> <p>B. Break-Even Point in units and in Value</p> <p>C. Profit earned</p> <p>D. Sales required to earn a profit of ₹1,00,000</p> <p>E. What will be the profit if sales are 20,000 units?</p>
12.	<p>A group of workers normally consists of 30 men, 15 women, and 10 boys. They are paid standard hourly rates as under:</p> <p>Men : ₹0.80 Women : ₹0.60 Boys : ₹0.40</p> <p>In a normal working week of 40 hours, the group is expected to produce 2,000 units of output. During the week ending on 31st December, the group consisted of:</p> <p>Men : 40 (paid at ₹0.70 per hour)</p> <p>Women : 10 (paid at ₹0.65 per hour)</p> <p>Boys : 5 (paid at ₹0.30 per hour)</p> <p>4 hours were lost due to abnormal idle time, and 1,600 units were produced. Calculate any three Labour variances.</p>

13. 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			
TOTAL	19,50,000	19,94,000		19,50,000	19,94,000

Additional information

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

You are required to prepare: Cash Flow Statement.

14. 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.

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