



MS – 405

VI Semester B.Com. Examination, May/June 2014
(Fresh) (Semester Scheme) (2013-14 Only)
COMMERCE

Paper – 6.3 : Management Accounting

Time : 3 Hours

Max. Marks : 100

Instruction : Answers should be **completely** either in **English** or in **Kannada**.

SECTION – A

Answer **any eight** sub questions. **Each** sub question carries **two** marks. (8×2=16)

1. a) Give the meaning of Management Accounting.
- b) What is Cash Flow Statement ?
- c) Give the meaning of Fund Flow Statement.
- d) What is a Comparative Statement ?
- e) State any two differences between Financial Accounting and Management Accounting.
- f) What is Trend Analysis ?
- g) Give the meaning of working capital.
- h) Mention two objectives of Management Reporting.
- i) State any four components of Current Assets.
- j) Gross profit of a firm is 25%, Gross profit is 1,00,000. Calculate cost of goods sold.

P.T.O.



Opening creditors	Rs. 30,000
Closing creditors	Rs. 45,000
Net working capital	Rs. 75,000

Findout :

- Average stock
- Average payment period
- Purchases
- Working capital turnover ratio.

5. The summarised Balance Sheets of Suma Textile Mills Ltd. as on 31-12-2010 and 31-12-2011 are as follows.

Liabilities	2010	2011	Assets	2010	2011
	Rs.	Rs.		Rs.	Rs.
Share capital	6,00,000	8,00,000	Land and		
General Reserve	2,00,000	3,00,000	Buildings	8,00,000	9,00,000
Profit and Loss A/c	50,000	60,000	Plant	3,00,000	2,00,000
Long term Bank Loan	2,00,000	50,000	Stock	1,70,000	3,00,000
Sundry creditors	2,00,000	1,80,000	Cash at Bank	30,000	20,000
Tax Reserve	50,000	30,000			
	13,00,000	14,20,000		13,00,000	14,20,000

Prepare Fund Flow Statement and a statement showing changes in working capital.



6. From the following you are required to find out cash generated from operations under indirect method.

Particulars	2011	2012
	Rs.	Rs.
Stock	60,000	50,000
Debtors	1,00,000	95,000
B/R	20,000	25,000
Creditors	40,000	50,000
B/P	20,000	15,000
O/S Expenses	1,000	1,500
Income received in advance	2,000	1,500

- 1) Depreciation for the year was Rs. 20,000
- 2) Interim dividend paid Rs. 60,000
- 3) The balance of profits at the beginning of the year 1,10,000 and at the end of the year it was 3,60,000.

SECTION – C

Answer **any four** of the following. **Each** question carries **15** marks.

7. From the following Balance Sheets of Suresh Company Ltd. and Girish Ltd. on 31-3-2012, you are required to prepare common size Balance Sheet and comment.

Liabilities	Suresh	Girish	Assets	Suresh	Girish
	Rs.	Rs.		Rs.	Rs.
Equity share capital	3,25,000	1,80,000	Land and Buildings	4,50,000	2,20,000
			Machinery	3,50,000	2,50,000



Preference			Investments	50,000	30,000
share capital	1,50,000	1,00,000	Debtors	1,70,000	1,40,000
Reserves and			Cash and Bank	55,000	20,000
Surplus	1,25,000	1,20,000	Prepaid Exps.	30,000	14,000
Long term loans	4,50,000	2,50,000			
Bills payable	30,000	15,000			
O/S Expenses	5,000	2,000			
Creditors	20,000	7,000			
	11,05,000	6,74,000		11,05,000	6,74,000

8. State with reasons whether the following transactions result in the increase or decrease of working capital or do not affect the working capital.

- 1) A company issued 5000 shares of Rs. 10 each at par.
- 2) Debentures of Rs. 1,00,000 are converted into equity shares.
- 3) Long term investments were sold for Rs. 5,00,000.
- 4) Fixed assets purchased by issue of shares for Rs. 1,00,000.
- 5) Cash paid to creditors Rs. 50,000.
- 6) Preliminary Expenses written off Rs. 10,000.
- 7) Advance income tax paid Rs. 75,000.
- 8) Bad debts written off during last year recovered 1000 during this year.
- 9) B/R of Rs. 40,000 was discounted for Rs. 38,000.
- 10) Dividend paid Rs. 50,000.

9. The summarised Balance Sheet of Murthy Traders Ltd. for the year ending 31-3-2013 is given below :

Liabilities	Amount	Assets	Amount
	Rs.		Rs.
Equity Share Capital	70,000	Fixed Assets at cost	1,05,000
Reserves and Surplus	35,000	Current Assets :	
Profit and Loss A/c	10,000	Stock	12,500
Provision for tax	5,000	Debtors	15,000
Sundry Creditors	20,000	Cash	7,500
	1,40,000		35,000
			1,40,000

The following further particulars are also given for the year.

Sales 60,000

Net Profit After Tax (PAT) = 10,000

Calculate the following :

- 1) Current Ratio
- 2) Liquid Ratio
- 3) NP Ratio
- 4) Proprietary Ratio
- 5) Debtors Turnover Ratio
- 6) Stock Turnover Ratio
- 7) Average collection period
- 8) Return on equity.



10. The following is the Balance Sheet for the year ending 31-3-2012 and 31-3-2013.

Liabilities	31-3-12	31-3-13	Assets	31-3-12	31-3-13
Share Capital	5,85,000	5,85,000	Fixed Assets	5,20,000	4,16,000
General Reserve	3,90,000	4,03,000	Long term Investment	65,000	78,000
Profit and Loss a/c	72,800	88,400	Stock	3,12,000	2,73,000
Creditors	2,18,400	1,74,200	Debtors	2,73,000	5,91,500
Provision for tax	97,500	13,000	Bank	1,93,700	2,56,100
Mortgage loan	—	3,51,000			
	13,63,700	16,14,600		13,63,700	16,14,600

Additional information :

- 1) Provision for tax during the year 1,10,000
- 2) Interim dividend paid 52,000
- 3) During the year fixed assets costing 13,000, were sold for Rs. 15,000
- 4) Investments costing 10,000 were sold during the year for Rs. 13,000.

You are required to prepare a statement of working capital changes and fund flow statement.

11. Following are the Summarised Balance Sheets of a Company as on 31-3-2012 and 31-3-2013.

Liabilities	2012	2013	Assets	2012	2013
	Rs.	Rs.		Rs.	Rs.
Share Capital	20,000	25,000	Land and Building	20,000	19,000
General Reserve	5,000	6,000	Machinery	15,000	16,900
Profit and Loss A/c	3,050	3,060	Debtors	8,000	6,420
Long term loan	7,000	—	Stock	10,000	7,400

Sundry Creditors	15,000	13,520	Cash	50
Provision for tax	3,000	3,500	Goodwill	-
	53,050	51,080		53,050

Additional information :

- Dividend of Rs. 2,300 was paid.
- Assets of another company purchased were machinery Rs. 2,500, Rs. 2,000, Goodwill Rs. 500.
- Machinery was further purchased for cash Rs. 800.
- Depreciation written off machinery Rs. 1,200.
- Income tax provided during the year Rs. 3,300.
- Loss on sale of machinery Rs. 500 was written off.

You are required to prepare the cash flow statement as per indirect method.

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ವಿಭಾಗ - ಎ

ಯಾವುದಾದರೂ ಎಂಟು ಉಪಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ ಎರಡು ಅಂಕಗಳು.

- ನಿರ್ವಹಣೆ ಲೆಕ್ಕಿಸುವಿಕೆಯ ಅರ್ಥ ಕೊಡಿ.
 - ನಗದು ಚಲನೆ ಪಟ್ಟಿಯೆಂದರೇನು ?
 - ನಿಧಿ ಚಲನೆ ಪಟ್ಟಿಯ ಅರ್ಥವನ್ನು ಕೊಡಿ.
 - ತುಲನಾತ್ಮಕ ಪಟ್ಟಿಯೆಂದರೇನು ?
 - ಹಣಕಾಸಿನ ಲೆಕ್ಕಶಾಸ್ತ್ರ ಮತ್ತು ನಿರ್ವಹಣೆ ಲೆಕ್ಕಿಸುವಿಕೆಗಿರುವ ಎರಡು ವ್ಯತ್ಯಾಸಗಳನ್ನು ತಿಳಿಸಿ.
 - ಪ್ರವೃತ್ತಿ ವಿಶ್ಲೇಷಣೆ ಎಂದರೇನು ?

Sundry Creditors	15,000	13,520	Cash	50
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 - ಪ್ರವೃತ್ತಿ ವಿಶ್ಲೇಷಣೆ ಎಂದರೇನು ?