

**M.Com. DEGREE (C.S.S.) EXAMINATION, JANUARY 2017****Third Semester**

Faculty of Commerce

MA 03 C11—MANAGEMENT ACCOUNTING

(2012 Admission onwards)

Time : Three Hours

Maximum Weight : 30

**Section A**

*Answer any five questions.  
Each question carries 1 weight.*

1. Define Management Accounting.
2. List out the nature of Financial statement.
3. What is Trend Analysis ?
4. What is Common Size Balance Sheet ?
5. Give the features of Management Accounting.
6. What do you mean by Over-capitalisation ?
7. What is SWOT Analysis ?
8. Distinguish between Fund Flow Statement and Cash Flow Statement.

(5 × 1 = 5)

**Section B**

*Answer any five questions.  
Each question carries 2 weight.*

9. Differentiate between Management Accounting and Financial Accounting.
10. What do you mean by analysis of financial statement ? Explain the procedure of analysis.
11. What is Accounting Ratio ? Describe its uses and importance.
12. Explain the uses and significance of Cash Flow Statement. Also narrate the procedure for preparing it.
13. Describe the advantage and disadvantages of Price Level Accounting.

**Turn over**

14. What do you mean by Leverage Ratios ? Narrate the significance of various Leverage Ratios.
15. Explain the methods of determination of Working Capital.
16. From the following information calculate Average Collection Period :

	Rs.
Total sales	: 1,00,000
Cash sales	: 20,000
Sales Return	: 7,000
Total Debtors at the end	: 11,000
Bills receivables	: 4,000
Bad debts provision	: 1,000
Creditors	: 10,000

(5 × 2 =10)

### Section C

*Answer any three questions.  
Each question carries 5 weight.*

17. What is a Financial statement ? Explain the characteristics of an Ideal Financial Statement.
18. What is Fund Flow Statement ? Narrate its objectives, uses and importance.
19. From the below given information prepare the Balance Sheet of ABC Ltd. :

Annual sales	: 4,00,000
Current Liabilities net worth	: 50 %
Sales to net worth	: 4 times
Total debt to net worth	: 80 %
Current ratio	: 2.2 times
Sales to Inventory	: 8 times
Average collection period	: 40 days
Fixed asset to net worth	: 70 %

Assume that all sales are made on credit.

20. Summarised Balance Sheets of ABC Ltd., as on 31<sup>st</sup> March 2013 and 2014 is given below.

You are required to prepare a Fund Flow Statement with the help of the following summarised Balance Sheet :

Summarised Balance Sheet of ABC Ltd.,

<i>Liabilities</i>	2013	2014	<i>Assets</i>	2013	2014
Equity capital	30,00,000	35,00,000	Goodwill	1,50,000	1,20,000
Share premium	—	4,00,000	Buildings	19,00,000	18,00,000
14 % Debentures	8,00,000	4,00,000	Machinery	13,00,000	21,50,000
Reserves	1,50,000	2,10,000	Current Assets	20,10,000	20,00,000
Current Liabilities	9,60,000	8,70,000			
Provision for Tax	1,50,000	2,00,000			
Proposed dividend	3,00,000	4,90,000			
	53,60,000	60,70,000		53,60,000	60,70,000

*Additional Information :*

- (i) A machine which appeared at written-down value of Rs. 2,20,000 was sold for Rs. 1,80,000.
- (ii) New machine costing Rs. 12,00,000 were installed during the year.
- (iii) Taxes paid during the year amounted to Rs. 2,20,000.

21. Prepare a Cash Flow Statement of the company for the period ended 30<sup>th</sup> June 2014 in accordance with AS-3 (revised) by Direct method :

<i>Receipts</i>	Rs.	<i>Payments</i>	Rs.
Balance as on 1.7.2013	3,500	To Suppliers	2,04,700
Customers	2,78,300	For Fixed Assets	23,000
Issue of shares	30,000	For over heads	11,500
Sale of Fixed Assets	12,800	Salaries	6,900
		Income Tax	24,300
		Dividend paid	8,000
		Repayment of Bank Loan	25,000
		Balance as on 30.6.2014	21,200
	3,24,600		3,24,600

**Turn over**

22. Calculate the Trend Percentage from the following figures of X Ltd., taking 2009 as the base and interpret them :

<i>Year</i>	<i>Sales</i>	<i>Stock</i>	<i>Rs. in lakhs Profit before Tax</i>
2009	1,881	709	321
2010	2,340	781	435
2011	2,655	816	458
2012	3,021	944	527
2013	3,768	1,155	672

(3 × 5 = 15)