

18001902



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Reg. No.....

Name.....

M.Com. DEGREE (C.S.S.) EXAMINATION, NOVEMBER 2018

Third Semester

Faculty of Commerce

MA 03 C11—MANAGEMENT ACCOUNTING

(2012 Admission onwards)

Time : Three Hours

Maximum Weight : 30

NPC permitted.

Section A

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

1. What is financial analysis ?
2. What is cash flow analysis ?
3. What is quick ratio ? What does it signify ?
4. What are comparative statements ?
5. Explain the meaning of the term 'financial statements'.
6. Define fund flow statement.
7. What do you mean by 'inflation accounting'.
8. What is 'Conversion Factor' ?

(5 × 1 = 5)

Section B

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

9. Explain briefly the limitations of financial ratios.
10. Differentiate between cash flow analysis and fund flow analysis.
11. Briefly explain the profitability ratios.
12. Differentiate between Management Accounting and cost accounting.
13. What are the different types of financial analysis ?

Turn over

14. From the following Balance Sheet of P and R Ltd., for the years 2015 and 2016, prepare schedule of changes in working capital and fund flow statement for the year 2016 :

Liabilities	2015	2016	Assets	2015	2016
Share capital	2,00,000	2,50,000	Land	10,000	20,000
Debentures	50,000	—	Plant	2,60,000	2,80,000
P and L a/c	48,000	68,000	Stock	82,000	1,06,000
Reserve for Doubtful Debts	7,000	8,000	Debtors	68,000	44,000
Trade Creditors	1,30,000	1,50,000	Cash	15,000	26,000
	4,35,000	4,76,000		4,35,000	4,76,000

Additional Information :

- (1) Dividend was paid in cash Rs. 25,000/-
 - (2) During the year plant was purchase for Rs. 20,000/-
15. Distinguish between fund flow statement and Balance Sheet.
16. State the significance of accounting ratios in the analysis of financial statements.

(5 × 2 = 10)

Section C

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

17. What do you mean by analysis and interpretation of financial statements ? Explain the different types of financial analysis.
18. Explain the scope and objectives of Management Accounting.
19. Prepare cash flow statement for the year ended 31st March 2016 :

Balance Sheets as on 31.3.2015 and 31.3.2016

Liabilities	2015	2016	Assets	2015	2016
Equity share capital	50,000	80,000	Fixed Assets	1,20,000	1,50,000
General Reserve	20,000	20,000	Investments	30,000	40,000
Reserves and Surplus	17,500	39,500	Stock	22,000	14,000
Bank Loan (long term)	80,000	50,000	Debtors	27,000	32,000
Sundry Creditors	24,000	31,500	Prepaid expenses	6,000	8,000
Provision for Tax	12,000	18,000	Cash in hand	8,500	7,000
Proposed dividend	10,000	12,000			
	2,13,500	2,51,000		2,13,500	2,51,000



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Additional information :

- (i) Income tax paid during the year Rs. 4,000/-
- (ii) Dividend paid during 2016 amounted to Rs. 10,000.

Assume proposed dividend and provision for taxation as non current liability.

20. From the following particulars calculate :

- (a) Current ratio ; (b) Liquid ratio ; (c) Proprietary ratio ; (e) Capital Gearing ratio.

Liabilities	Rs.	Assets	Rs.
5,000 Equity shares of Rs. 100/- each	5,00,000	Land and Building	6,00,000
4,000 9 % Debentures of Rs. 100/- each	4,00,000	Plant and Machinery	5,00,000
2,000 8 % Preference Shares	2,00,000	Stock	2,40,000
Reserves	3,00,000	Debtors	2,00,000
Creditors	1,50,000	Cash and Bank	55,000
Bank overdraft	50,000	Prepaid expenses	5,000
	16,00,000		16,00,000

21. Describe the various methods of Accounting for changing prices.

22. What are Ratio Analysis ? Describe the merits and demerits of Ratio Analysis.

(3 × 5 = 15)

