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SUBJECT CODE NO: - C-3057
FACULTY OF COMMERCE AND MANAGEMENT
B.COM. (CBCGS) (Pattern-2018-22) T.Y. SEM V
Examination November / December 2024
Management Accounting - I

[Time: 3:00 Hours]**[Max. Marks : 80]**

N. B

Please check whether you have got the right question paper.

- 1) Question No. 1 is compulsory.
- 2) Attempt any Four questions from the remaining Five questions.
- 3) Use of calculator is allowed

Q1 A) Multiple Choice Questions**5 marks**

1. Which of the following is not a function of Management Accounting?
 - a) Planning
 - b) Decision Making
 - c) Fundraising
 - d) Control
2. Financial Statement Analysis includes:
 - a) Budgeting
 - b) Trend Analysis
 - c) Ratio Calculation
 - d) None of the above
3. Which of the following is an example of a Profitability Ratio?
 - a) Current Ratio
 - b) Gross Profit Ratio
 - c) Debtors Turnover Ratio
 - d) Inventory Turnover Ratio
4. The purpose of a Cash Flow Statement is:
 - a) Profit Analysis
 - b) Credit Management
 - c) Liquidity Analysis
 - d) Depreciation Calculation
5. Common Size Financial Statements are used to:
 - a) Compare line items as a percentage
 - b) Record assets
 - c) Determine tax liability
 - d) None of the above

**B) Answer in One Sentence****5 marks**

1. What is the main objective of Management Accounting?
2. Define Comparative Financial Statement Analysis.
3. What is a Fund Flow Statement?
4. Name any one limitation of Ratio Analysis.
5. What is the scope of Financial Statement Analysis?

C) Fill in the Blanks**5 marks**

1. Management accounting helps in _____ and control.
2. _____ is used to measure the company's liquidity position.

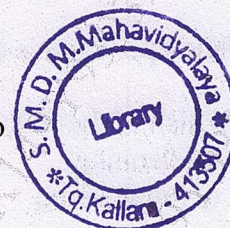
3. Funds from operations are shown in the _____ statement.
4. Inventory Turnover Ratio is a part of _____ ratios.
5. The Cash Flow Statement is prepared as per Accounting Standard _____.

D) True or False**5 marks**

1. Management accounting is used to determine external reporting requirements.
2. Gross Profit Ratio is used to analyse profitability.
3. Ratio analysis has no limitations.
4. Fund Flow Statement shows changes in working capital.
5. Financial Statement Analysis is limited to external users only.

Q2 From the following trading activities of Sanjay Co. Ltd.**15 Marks****Calculate:**

- (i) Gross profit ratio (ii) Net profit ratio (iii) Operating cost ratio
- (iv) Operating profit ratio.

**Statements of Profit and Loss**

Particulars		(₹)
Revenue for operation		20,000
Other income : Income from investments		200
Total revenue		20,200
Fixed Assets		
Expenses:		
Purchases of Stock in trade	17,000	
Charges in inventories	-1000	16,000
Finance costs		300
Other expense (Administration and selling)		2,400
Total expenses		18,700
Profit before tax		1,500

Q3 'A' Company Ltd.'s Balance Sheet Position is given as follows :-**15 Marks**

Liabilities	2018 ₹	2019 ₹	Assets	2018 ₹	2019 ₹
Share Capital	2,00,000	3,00,000	Land & Buildings	1,00,000	1,20,000
General Reserve	30,000	40,000	Machinery	1,10,000	1,60,000
Profit & Loss A/c	15,000	14,000	Investments	-	40,000
Secured Loan	30,000	-	Debtors	70,000	40,000
Creditors	40,000	35,000	Closing Stock	34,000	30,000
Prov. for Taxation	10,000	15,000	Cash	5,000	4,000
			Goodwill	-	5,000

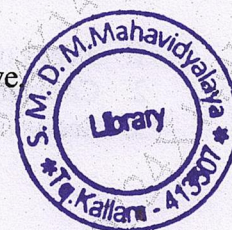
		Preliminary Exp.	6,000	5,000
3,25,000	4,04,000		3,25,000	4,04,000

Additional Information:

- Dividend paid ₹ 15,000 in the year 2019.
- Other Company's Assets were purchased by giving ₹ 1,00,000 shares. Assets contained ₹ 20,000 for Buildings, ₹ 50,000 for Machinery and ₹ 25,000 for trading goods.
- ₹ 10,000 other Machinery were purchased.
- ₹ 5,000 depreciation on Machinery.
- ₹ 500 loss on sale of machinery were transferred to General Reserve.
- ₹ 10,000 were Provided for Provision for Taxation.

Prepare for the year 2019 :-

- Statement of increase or decrease in working capital.
- Adjusted Profit and Loss Account, Share Capital Account, General Reserve A/c, Provision for Taxation A/c, Land & Buildings A/c, Machinery Account; and-
- Sources and Applications (uses) Statement.



Q4 The following are the summarized balance sheets of 'ABC' company as on 31-12-2011 and 31-12-2012. **15 Marks**

Balance Sheets

Liabilities	2011	2012	Assets	2011	2012
Share capital	8,00,000	10,00,000	Land & Building	8,00,000	7,60,000
General Reserve	2,00,000	2,40,800	Plant & Machinery	6,00,000	6,76,000
Profit & Loss	1,22,000	1,22,400	Stock	4,00,000	2,96,000
Bank loan (long term)	2,80,000	---	Sundry debtors	3,20,000	2,56,800
Sundry creditors	6,00,000	5,40,000	Cash	2,000	2,400
Provision for taxation	1,20,000	1,40,000	Bank	---	32,000
			Goodwill	---	20,000
	21,22,000	20,43,200		21,22,000	20,43,200

Additional Information:

During the year ended 31st December 2012.

- Dividend of ₹ 92,000 was paid.
- Assets of another company were purchased for a consideration of ₹ 2,00,000 payable in shares. The following assets were purchased:
Stock ₹ 80,000
Machinery ₹ 1,00,000

- iii) Machinery was further purchased for ₹ 32,000.
- iv) Depreciation written off on machinery ₹ 48,000.
- v) Loss on sale of machinery ₹ 800 was written off to general reserve.
- vi) Income tax provided during the year ₹ 1,32,000.

You are required to prepare a cash flow statement.

Q5 Discuss in detail the meaning, Objectives and Scope of Financial Statements.

15 Marks

Q6 Write short notes of the following:

15 Marks

1. Types of Ratios
2. Comparative Financial Statement Analysis
3. Scope of Management Accounting

