

Total No. of Questions : 14]
(1126)

[Total No. of Printed Pages : 8

**Bachelor of Commerce Vth Semester
(0015) Examination**

0830

MANAGEMENT ACCOUNTING

Paper : BCM-502

Time : 3 Hours]

[Maximum Marks : 80

Note :- Attempt any *four* questions from Section-A carrying 5 marks each; *two* questions from Section-B carrying 15 marks each and also *two* questions from Section-C carrying 15 marks each.

Section-A

1. Distinguish Cost Accounting and Management Accounting.
2. Prepare Comparative Income Statement from the following data :

Particulars	Amount in Rs.	
	2015	2016
Net Sales	600	750
Cost of Goods Sold	400	600
Administrative Express	20	20
Selling Expenses	10	10
Net Profit	170	120

A-484

(1)

Turn Over

3. Describe various precautions to be kept in mind while using Ratio Analysis.
4. Mr. X purchased a piece of land in 1995 for Rs. 2,00,000 when Price Index was 110. He sold this land in 2016 for Rs. 5,50,000 when Price Index was 330. Find out his profit and loss keeping in view the Price Level changes.
5. Describe the indicators of social desirability of a project.
6. The net sales of Sicagen India Limited are Rs. 20 Crores. The EBIT of the company as a percentage of sales is 15%. The capital employed of the company comprises of Rs. 9 Crores of Equity, Rs. 2 Crores 12% Preference Capital and Rs. 3 Crores of 14% Debentures. The company's profit is subject of Tax @ 30%. Calculate the Return on Equity (ROE) for Sicagen India Limited.

Section-B

7. Define Management Accounting. Explain the scope and importance of Management Accounting in modern digital economy.
8. What do you mean by Financial Statement Analysis? Discuss the various tools used for Financial Statement Analysis.
9. Prepare Common-Size Balance Sheet from the following data and interpret the results :

	Amount (in Rs.)	
	X Ltd.	Y Ltd.
Equity and Liabilities :		
Shareholders' Funds		
Preference Share Capital	1,50,000	2,00,000
Equity Capital	1,70,000	4,00,000
Reserve and Surplus	44,000	38,000
Non-Current Liabilities		
Long Term Loans	1,20,000	1,30,000
Current Liabilities		
Bills Payables	12,000	10,000
Sundry Creditors	22,000	14,000
Outstanding Expenses	25,000	16,000
Proposed Dividend	20,000	90,000
Total	5,63,000	8,98,000
Assets		
Non-Current Assets		
Land and Building	1,30,000	1,68,000
Plant and Machinery	3,34,000	6,00,000
Current Assets		
Temporary Investments	21,000	60,000
Inventories	10,000	30,000
Book Debts	24,000	18,000
Prepaid Expenses	21,000	12,000
Cash and Cash Equivalents		
Cash and Bank Balances	23,000	10,000
Total	5,63,000	8,98,000

10. A Limited had the following earnings for the year 2016 :

Profit Before Tax Rs. 30 Lakhs

Corporate Tax Rate 30%

Proposed Dividend 30%

Capital of the company is :

10% Preference Capital of Rs. 20 Lakhs

5,00,000 Equity Shares Rs. 10 each

Reserves in the beginning of the year was Rs. 40 Lakhs.

Current market price of the Equity share is Rs. 200

From the above information compute (for the equity shares, ignoring other taxes) :

- (i) Earnings Per Share
- (ii) Book Value Per Share
- (iii) Earning Yield Ratio
- (iv) Price Earnings Ratio
- (v) Dividend Payment Ratio

Section-C

11. What do you mean by Responsibility accounting ?
Describe steps in Responsibility Accounting and its advantages.

12. What do you mean by Human Resource Accounting ?
Describe the various methods used for valuing human resource assets.

13. From the following Balance Sheet of X Ltd. prepare Fund Flow Statement :

Balance Sheet

(as on March 31, 2015)

	Amount (in Rs.)	
	FY 2015	FY 2014
Equity and Liabilities :		
Shareholders' Funds		
Equity Capital	15,75,000	13,50,000
General Reserves	5,62,500	4,50,000
Capital Reserves	22,500	—
Profit and Loss Account	4,50,000	2,25,000
Non-Current Liabilities		
12% Debentures	4,50,000	6,75,000
Current Liabilities		
Sundry Creditors	5,62,000	3,60,000
Outstanding Expenses	27,500	22,500
Proposed Dividend	76,500	67,500
Provision for Txation	1,71,000	1,57,500
Total	38,97,000	33,07,500
Assets		
Fixed Assets	27,00,000	22,50,000
Less : Accumulated Depreciation	5,62,500	4,50,000

Net Fixed Assets	21,37,500	18,00,000
Long Term Investments (at Cost)	4,05,000	4,05,000
Current Assets		
Inventories	6,07,500	4,50,000
Book Debts (Net of Provisions)	5,51,250	5,06,250
Bills Receivables	1,46,250	90,000
Prepaid Expenses	27,000	22,500
Cash and Cash Equivalents		
Cash and Bank Balances	22,500	33,750
Total	38,97,000	33,07,500

Additional Informations :

- (i) Provision for Doubtful Debts were Rs. 90,000 for FY2014 and Rs. 1,12,500 for FY2015.
- (ii) During FY2015, fixed assets with a net book value of Rs. 22,500 (accumulated depreciation Rs. 67,500) were sold for Rs. 18,000.
- (iii) Debentures were redeemed at a premium of 10%.
- (iv) Tax of Rs. 1,23,000 was paid for FY2014.
- (v) Proposed Dividend for FY2014 was paid during FY2015.
- (vi) During FY2015 Bad Debts of Rs. 31,500 were written off against provision for Doubtful Debts.

14. From the following particulars prepare Cash Flow Statement for the year ending on 31 March, 2016 using direct Method.

Income Statement

For the year ending on 31 March, 2016

	Rs.'000	Rs.'000
Income :		
Sales		20,000
Stock Adjustment :		
Closing Stock	8,000	
Less : Opening Stock	6,000	2,000
Income from Investments		2,400
		24,400
Expenditure		
Raw Material Consumed :		
Opening Stock	4,000	
Add Purchases	10,000	
	14,000	
Less Closing Stock	3,000	11,000
Wages and Salaries		5,000
Other Expenses		4,000
Depreciation		1,000
		21,000
		3,400
Profit Before Interest and Tax		1,600
Interest		1,800
Profit Before Tax		

Turn Over

A-484

(7)

Provision for tax		200
Profit after tax		1,600
Opening Balance of P & L A/c		200
		1,800
Appropriations		
Transfer to General Reserves	500	
Proposed Dividend	1,200	1,700
Balance C/F		100

Balance Sheet

As on 31 March, 2016

Liabilities	2016 Rs'000	2015 Rs'000	Assets	2016 Rs'000	2015 Rs'000
Share Capital	8,000	6,000	Gross Fixed Assets	16,000	12,000
General Reserves	2,000	1,500	Less : Accumulated		
P & L Account	100	200	Depreciation	(3,000)	(2,000)
Loan	12,000	8,000	Net Fixed Assets	13,000	10,000
Sundry Creditors	8,700	9,600	Investments		
Provision for Tax	200	300	Long Term	2,400	1,600
Proposed Dividend	1,200	900	Short Term		
			Investment	600	400
			Inventories	11,000	10,000
			Trade Debtors	4,000	3,000
			Cash and Bank		
			Balance	1,000	1,200
			Advance Tax	200	300
	32,200	26,500		32,200	26,500