

(i) Printed Pages : 8 Roll No. ....

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**Bachelor of Commerce 5<sup>th</sup> Semester**

**(2122)**

**MANAGEMENT ACCOUNTING**

**Paper : BCM-502**

**Time Allowed : Three Hours]**

**[Maximum Marks : 80**

**SECTION—A**

**Note :— Attempt any FOUR.**

- I. What do you mean by Financial Statements ? Discuss objectives of Financial Statements.
- II. Define Social Accounting. What are its objectives ?
- III. From the information given below ascertain the cost of sales and closing inventory under CPP Method, using (i) LIFO and (ii) FIFO :

	Rs.
1. Inventory on 1.1.2021	30,000
2. Purchases during 2021	1,10,000
3. Inventory on 31.12.2021	50,000
4. General Price Index as on 1.1.2021	150
5. Average General Price Index for the year	170
6. General Price Index on 31.12.2021	200



IV. From the details given, calculate Stock :

Current Ratio : 4

Liquid Ratio : 1.5

Working Capital : Rs. 1,20,000

V. From the following data, prepare a comparative Statement of Profit and Loss :

Particulars	31.3.2022	31.3.2021
Revenue from Operations	Rs. 18,00,000	Rs. 15,00,000
Cost of Material Consumed (% of Revenue)	58%	67%
Employees Benefits Expenses	Rs. 1,90,000	Rs. 1,15,000
Other Expenses	Rs. 25,000	Rs. 15,000
Income Tax Rate	40%	40%

VI. The following information has been extracted from the Balance Sheet of a company :

Particulars	31.3.2020 Rs.	31.3.2021 Rs.
Machinery	80,000	2,00,000
Accumulated Depreciation	30,000	35,000
Profit and Loss Account	25,000	40,000



### Additional Information :

1. A machine costing Rs. 20,000 was purchased during the year by issue of equity shares.
2. On April 1, 2020, a machine costing Rs. 15,000 (accumulated depreciation Rs. 5,000) was sold for Rs. 7,000.

Prepare necessary accounts to find out sources/application of fund.

4×5=20

### SECTION—B

**Note :— Attempt any TWO.**

VII. Balance Sheets of M Ltd. and S Ltd. as on 31st March 2022 are given as under :

	M Ltd. (Rs.)	S Ltd. (Rs.)
<b>I. Equities and Liabilities</b>		
<b>Shareholders' Funds</b>		
Share Capital :		
Preference share capital	2,50,000	1,50,000
Equity share capital	5,30,000	6,00,000
Reserves and Surplus	66,000	1,50,000
<b>Non-Current Liabilities</b>		
Long term Loans	1,25,000	2,10,000
Debentures	80,000	—



<b>Current Liabilities</b>		
Bills Payable	1,12,000	50,000
Trade Payables	65,000	45,000
Sundry Creditors	2,35,000	1,20,000
Outstanding Expenses	25,000	25,000
Income tax Provision	25,000	35,000
<b>Total</b>	<b>15,13,000</b>	<b>13,85,000</b>
<b>II. Assets</b>		
<b>Non-current Assets</b>		
Tangible Assets :		
Land and Building	4,50,000	5,00,000
Plant and Machinery	5,50,000	4,60,000
<b>Current Assets</b>		
Investments	1,00,000	1,00,000
Inventories	2,50,000	1,40,000
Trade Receivables	50,000	70,000
Prepaid Expenses	25,000	15,000
<b>Cash and Cash Equivalents</b>		
Cash and Bank Balance	88,000	1,00,000
<b>Total Assets</b>	<b>15,13,000</b>	<b>13,85,000</b>

Prepare Common Size Balance Sheet and comment on the pattern of financing and working capital position of the companies.



VIII. Define Management Accounting. Discuss the nature, scope and importance of Management Accounting to any business organization.

IX. What do you mean by Financial Analysis ? Discuss various tools used for Financial Statement Analysis with suitable examples.

X. From the following details relating to a firm, prepare the Balance Sheet with as much details as possible :

Sr. No.	Operational details	
1.	Current Ratio	2.5
2.	Liquid Ratio	1.5
3.	Fixed assets to proprietor's funds Proprietary ratio	0.8
4.	Fixed Assets	Rs. 1,80,000
5.	Working Capital	Rs. 60,000
6.	Reserves and Surplus	Rs. 40,000
7.	Bank Loan	Rs. 40,000

2×15=30

### SECTION—C

Note :— Attempt any TWO.

XI. Discuss the concept of Responsibility Accounting. Discuss various steps in Responsibility Accounting and explain its utility to the Management.



XII. What do you mean by Human Resource Accounting ? Describe various methods used for valuation of Human Resource Assets.

XIII. Following are the summarized Balance Sheets of AB Ltd. as on 31<sup>st</sup> December 2020 and 31<sup>st</sup> December 2021 :

	31.12.2021 (Rs.)	31.12.2020 (Rs.)
<b>Liabilities</b>		
Share Capital	2,30,000	2,30,000
General Reserve	60,000	60,000
Balance of Profit and Loss	23,000	16,000
Depreciation Fund	45,000	40,000
Debentures	70,000	90,000
Trade Creditors	1,00,000	1,03,000
Outstanding Expenses	12,000	13,000
<b>Total Liabilities</b>	<b>5,40,000</b>	<b>5,52,000</b>
<b>Assets</b>		
Land and Building	1,50,000	1,50,000
Plant and Machinery	75,000	52,000
Temporary Investment	74,000	1,10,000
Prepaid Expenses	2,000	1,000
Sundry Debtors	43,000	67,000
Stock	1,06,000	82,000
Cash and Bank	90,000	90,000
<b>Total Assets</b>	<b>5,40,000</b>	<b>5,52,000</b>



### Additional Information :

- (1) 15% dividend was paid in cash.
- (2) Old machinery costing Rs. 12,000 was sold for Rs. 4,000; accumulated depreciation was Rs. 6,000.
- (3) Rs. 36,000 investments were sold for Rs. 42,000.
- (4) Rs. 20,000 debentures have been redeemed at 5% premium.

### Prepare :

- (a) Statement of Change in Working Capital during 2021;
- (b) Statement of Sources and Application of Funds

XIV. Following are the summarized Balance Sheets of XYZ Ltd. as on 31<sup>st</sup> December 2020 and 31<sup>st</sup> December 2021 :

	2020 (Rs.)	2021 (Rs.)
<b>Liabilities</b>		
Share Capital	1,00,000	1,30,000
General Reserve	50,000	60,000
Balance of Profit and Loss	20,000	30,000
Long term Bank Loan	90,000	—
Trade Creditors	1,00,000	70,000
Income Tax Provision	40,000	50,000
<b>Total Liabilities</b>	<b>4,00,000</b>	<b>3,40,000</b>



	2020 (Rs.)	2021 (Rs.)
<b>Assets</b>		
Land and Building	1,25,000	1,10,000
Plant and Machinery	1,10,000	1,20,000
Goodwill	—	10,000
Sundry Debtors	60,000	35,000
Stock	70,000	45,000
Cash and Bank	35,000	20,000
<b>Total Assets</b>	<b>4,00,000</b>	<b>3,40,000</b>

**Additional Information :**

- (1) Dividend of Rs. 11,500 was paid during 2021.
- (2) Assets of another company were purchased for Rs. 30,000 payable in shares. The assets purchased : Stock Rs. 10,000; machinery Rs. 10,000.
- (3) A machine was further purchased Rs. 10,000.
- (4) Depreciation written off machinery Rs. 8,000.
- (5) Income tax provided during the year Rs. 16,500.
- (6) Loss on sale of machinery Rs. 1,000 was written off to General Reserve.

Prepare a Cash Flow Statement for the year ended 31<sup>st</sup> December 2021. 2×15=30