Q.5 Attempt any two:

i. What do you understand by the analysis of financial statement? Explain its various techniques. **5** 3 3 4

ii. The income statement of a concern are given for the years ending on 31st March 2022 and 2023. Rearrange the figure in a comparative form and study the profitability position of Pathak co. **5** 4 5 4

Particulars	**2022 Rs. (000)**	**2023 Rs. (000)**
Net Sales	3140	3600
Cost of goods sold	1800	2000
Operating Expenses:		
General and administration Expenses	280	320
Selling Expenses	320	360
Non Operating Expenses:		
Interest Paid	100	120
Income –Tax	280	320

iii. What do you mean by interpretation of financial statement? What are its objectives? **5** 3 3 4

Q.6 i. Explain the different types of budgets. **3** 2 3 5

ii. What is budgeting? What is the difference between fixed budget and flexible budget? **7** 4 3 5

OR iii. Prepare a flexible budget for a production level at 80% and 100%: **7** 4 5 5

Production at 50% capacity	5000 units
Raw Material	Rs. 80 per unit
Direct Labour	Rs.50 per unit
Variable Expenses	Rs.10 per unit
Factory Overhead	Rs.50,000 (50% fixed)
Office Overhead	Rs.60,000 (40% fixed)

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Total No. of Questions: 6 *Total No. of Printed Pages:4*

Enrollment No......................................

Faculty of Commerce
End Sem Examination Dec 2024
CM3EA03 Management Accounting

Programme: B.Com. (Hons.) Branch/Specialisation: Commerce

Duration: 3 Hrs. **Maximum Marks: 60**

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d. Assume suitable data if necessary. Notations and symbols have their usual meaning.

Marks BL PO CO PSO

Q.1 i. The uses of management account are- **1** 1 3 1
(a) Compulsory
(b) Optional
(c) Compulsory for big undertaking
(d) Optional for small undertaking

ii. Nature of management accounts is- **1** 1 3 1
(a) Selective nature
(b) Mixed system
(c) Based on information
(d) All of these

iii. Ideal liquid ratio should be- **1** 1 3 2
(a) 1:2 (b) 2:1
(c) 2:3 (d) 1:1

iv. Amount from current assets is realized within – **1** 1 3 2
(a) One month
(b) One Year
(c) Two Years
(d) Three Years

v. Flow of fund means – **1** 1 3 3
(a) Change in fund
(b) Change in working capital
(c) Transfer of economic values
(d) All of these

vi. Which of the following is not a cash flow- **1** 1 3 3
(a) Decrease in debtors
(b) Issue of share
(c) Decease in creditors
(d) Sales of fixed assets

vii. Vertical analysis is also known as – **1** 1 3 4
(a) Dynamic analysis (b) Static analysis
(c) Internal analysis (d) None of these

viii. Comparison of the financial statement indicates the trend of _________ of the Business. **1** 1 3 4
(a) Profitability (b) Performance
(c) Financial position (d) All of these

ix. Budget is prepare– **1** 2 3 5
(a) For present period
(b) For future period
(c) Both for present and future period
(d) Only by Govt.

x. Cash budget is a _________ budget. **1** 1 3 5
(a) Short term (b) Long term
(c) Both (d) None of these

Q.2 i. Explain any two objectives of management accounting. **2** 1 3 1

ii. Describe the functions and limitation of management accounting? **8** 1 3 1

OR iii. Define management accounting. How is it different from financial accounting? **8** 1 3 1

Q.3 i. From the following details ascertain the Gross Profit Ratio: **2** 3 5 2

	2021-22	2022-23
Sales (In Rs.)	1,20,000	1,50,000
Gross Profit	30,000	50,000

ii. "Ratio analysis is a tool of management for measuring achievements in efficiency and guiding business policies." Discuss. **8** 2 3 2

OR iii. Some data of financial account of a company are as follows: **8** 3 5 2

	Amount (Rs.)
Annual sales	2,00,000
% of Gross profit on sales	16%
Average inventory	14,000
Current liabilities	16,000
Current ratio	250%
Closing inventory	12,000
Trade Receivable at the end	24,000

From the above information, calculate the following ratios:
(a) Inventory turnover
(b) Trade receivable turnover
(c) Acid test ratio
(d) Current assets turnover

Q.4 i. Describe limitations and importance of fund flow statement. **4** 1 3 3

ii. Explain the difference between cash flow statement and fund flow statement. **6** 4 3 3

OR iii. Prepare a cash flow statement with the given data: **6** 3 5 3

	Amount (Rs.)
Cash from operations	50,000
Sale of fixed assets (cash)	7,60,000
Issue of share for cash	5,00,000
Increase in current assets	1,00,000
Increase in current liabilities	60,000
Decrease in current assets	70,000
Decrease in current liabilities	40,000
Repayment of loan taken	4,00,000

You may assume the balancing amount, if any, under the suitable head.

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Q.1 (i). (b) Optional
(ii) (d) All of these
(iii) (d) 1:1
(iv) (b) One Year
(v) (d) All of these
(vi) (c) decrease in Creditors.
(vii) (b) Static analysis.
(viii) (d) All of these.
(ix) (b) For Future Period.
(x) (a) Short term..

Q.2 (i) One Mark for each Point
(ii) Four Functions (4 Marks)
Four Limitations (4 Marks)
(iii) Meaning of management Accounting (2 Marks)
difference From Financial Accounting (6 Points) (6 marks)

Qo 3 (i)

$$G.P.\ Ratio = \frac{G.P.}{Net\ sales} \times 100$$

(2021-22) $\frac{30000}{120000} \times 100 = 25\%$

(2022-23) $\frac{50000}{150000} \times 100 = 33.33\%$

(ii) As Per Explaination (one Mark For each Point)

(iii) (a) Gross Profit → $200000 \times 16\%$
$= 32000$

$Cogs = Sales - G.P.$
$= 200000 - 32000$
$= 168000$

Stock turnover Ratio (Inventory turnover Ratio) $= \frac{Cogs}{Average\ Inventory}$

$= \frac{168000}{14000}$

$= 12$ times.

(b) Trade Receivable turnover Ratio $= \frac{Net\ Credit\ Sales}{Average\ Trade\ Receivables}$

$= \frac{200000}{24000}$

$= 8.33$ times

(c) Current Ratio = $\frac{\text{Current Assets}}{\text{Current Liability}}$

$$\frac{250}{100} = \frac{C.A.}{C.L.}$$

$$\frac{250}{100} = \frac{C.A.}{16000}$$

$$C.A. = \frac{16000 \times 250}{100}$$

$$C.A. = 40000$$

Liquid Assets = Current Assets − Inventory (closing)

$= 40000 - 12000$

$= 28000$

Liquid Ratio or Acid test Ratio = $\frac{\text{Liquid Assets}}{\text{Current Liabilities}}$

$$= \frac{28000}{16000}$$

$= 1.75 : 1$

(d) Current Assets turnover Ratio = $\frac{\text{Cogs}}{\text{Current Assets}}$

$\rightarrow \frac{168000}{40000} = 4.2$ times

or

$\frac{\text{Net Sales}}{\text{Current Assets}}$

$\rightarrow \frac{200000}{40000} = 5$ times

Q.4 (i) [Limitations (Four Points) (4 marks)
Importance (Four Points) (4 marks)

(ii) Six difference (6 marks)

(iii) Cash Flow Statement

(I) Cash From Operating Activity		
Cash From operations	50000	
Add:- Decrease in Current Assets	70000	
Add:- Increase in Current Liabilities	60000	
Less:- Increase in Current Assets	(100000)	
Less:- Decrease in Current Liabilities	(40000)	
Cash From Operating Activities		40000
(II) Cash From Investing Activities		
Sale of Fixed Assets	760000	
Cash From Investing Activities		760000
(III) Cash From Financing Activities		
Issue of Shares	500000	
Less:- Repayment of Loan taken	(400000)	
Cash From Financing Activities		100000
Net Increase in cash & Cash equivalents		900000
Add:- Opening balance of cash & Cash equivalents (assumed)		100000 (assumed)
Closing balance of Cash & Cash equivalents		1000000

(5)

Q. 5.

(i) Analysis of financial Statement → 1 mark
tools & techniques (4 Points) → 4 marks

(ii) Comparative Income Statement

Particular	2022	2023	Change	% of change
Net Sales	3140	3600	460	14.65
Less:- Cogs	1800	2000	200	11.11
G.P.	1340	1600	260	19.40
Less:- Operating expenses				
(1) Gen. & Adm. expenses	280	320.	40.	14.29.
(2) Selling exp.	320	360.	40	12.50.
Operating Profit	740.	920	180	24.32
Less:- Non Operating expenses				
Interest Paid	100	120	20	20.
Profit before tax	640	800	160	25
Less:- Tax.	280	320	40.	14.29.
Profit after tax	360	480	120.	33.33

(Marking as Per steps) (5).

(iii) Interpretation of financial Statement → 1 mark.
Objectives (4 Points) → 4 marks

Qo 6. (i) Three types of budgets (3 marks) (one mark for each point)

(ii) Meaning of budgeting → 2 marks

Five difference (one mark for each point) → 5 marks

(iii)

Flexible budget

Particular	50% Capacity (5000 units)	80% Capacity (8000 units)	100% Capacity (10000 units)
variable overheads			
Raw materials	400000	640000	800000
Direct Labour.	250000	400000	500000
Variable expenses	50000	80000	100000
(A)	700000	1120000	1400000
Semi variable overheads			
Factory overheads			
50% Fixed	25000	25000	25000
50% Variable	25000	40000	50000
Office overheads			
40% Fixed	24000	24000	24000
60% variable.	36000	57600	72000
(B)	110000	146600	171000
Total Cost (A+B)	810000	1266600	1571000
Cost Per unit	162	158.33	157.1