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Date 27.09.2021.

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## 1.) Calculation Gross Profit Ratio

Gross Profit Ratio:

$$\frac{\text{Gross Profit} \times 100}{\text{Net Sales}}$$

Trading A/c.

Particulars	Rs.	Rs.	Particulars	Rs.	Rs.
Opening Stock	3	20,000	By Sales	2,20,000	
To Purchase	1,75,000 15,000	1,60,000	" Sales Return	<u>20,000</u>	2,00,000
To Gross Profit		50,000	" Closing Stock		40,000
		<u>2,40,000</u>			<u>2,40,000</u>

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Section - B.

- 1) Distinction between Financial Accounting and inter-related Financial accounting. Financial accounting records day-to-day Financial transaction. Management accounting depends on Financial accounting which is its main source of information. main objective of financial accounting is to ascertain profit and depict the financial position of the management for decision making.

Purpose:

The purpose of financial accounting is to ascertain profit loss by preparing profit and loss account reveal the financial position through the balance sheet and present them to owner, creditor, government etc.

Nature of Information Used:

Financial accounting records transactions as and when they occur, i.e. the past while management accounting is concerned with future plan and operation.

Analysis and Interpretation of Data:

Financial accounting analyse and of the business as a whole i.e. the financial account provide consolidated information of the whole enterprise.



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Flexibility:

Financial account are prepared as per the Guidelines laid down by company act and Income Tax Act. Whereas management accounting follows the requirement of the management in the preparation of various statements.

Legal requirements:

Financial accounting has become compulsory as per the statutory requirement.

Frequency of Reported: ~~to the external users~~ whereas frequent reporting period reporting is the feature of financial accounting. prompt and quick reporting is the main feature of management accounting.

Emphasis of principles:

Financial accounting record the transactions as per established convention and principles.

And it:

Financial statement prepared under financial accounting system are published for the information of general public means of public limited companies.

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Format of Statement in financial accounting system financial statement are prepared under different format. revenue capital personal-account and property account etc.

Unit of Account:

Financial accounting consider the whole enterprise as a single unit of account. Financial statement prepared under financial accounting system reveal the operating result of an entire firm.

2.

Working Capital

$$\frac{\text{Sales}}{\text{Fixed asset}}$$

$$= \frac{25,00,000}{6}$$

$$= 4,16,667$$

Current asset.

$$= \frac{25,00,000}{6}$$

$$= 3,12,500$$



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$$\text{Inventory} = \frac{25,00,000}{15.}$$

$$= 1,66,667$$

$$\text{Debit} = \frac{25,00,000}{18.} \quad \frac{\text{Credit Sales.}}{\text{Debit turn Rs}}$$

$$= 1,38,889.$$

$$\text{current ratio} = \frac{\text{current Assets.}}{\text{current liability.}}$$

$$= \frac{3,12,500.}{2.5.}$$

$$\text{current liability} = \frac{3,12,500}{2.5.}$$

$$\text{current Asset} = \frac{3,12,500.}{3.5.}$$

$$\text{Total asset / Networth} = 3.5.$$

$$\begin{aligned} \text{total asset} &= \text{Fixed asset} + \text{current assets} \\ &= 4,16,667 + 3,12,500. \\ &= 7,29,167. \end{aligned}$$

$$\text{total assets} = \frac{7,29,167}{3.5.}$$

$$\text{Net profit} = 2,08,333$$