

VI Semester B.Com. Examination, May/June 2007
(Semester Scheme)
COMMERCE (Paper – 6.3)
Management Accounting

Time: 3 Hours

Max. Marks: 90

***Instruction:** Answer should be fully either in **English** or in **Kannada**.*

SECTION – A

1. Answer any **ten** questions. Each question carries **2** marks. **(10×2=20)**
- a) State any four functions of Management Accountant.
 - b) What do you mean by “Debt Equity Ratio” ?
 - c) Closing stock of a company is Rs. 2,00,000. Total liquid assets are Rs. 10,00,000. Liquid Ratio is 2 : 1. Find out working capital.
 - d) Cost of goods sold is Rs. 2,40,000. Stock turnover ratio is 6 times.
Opening stock is Rs. 6,000 more than closing stock. Calculate opening stock.
 - e) What is common size statement ?
 - f) Define “Fund Flow Statement”.
 - g) Given: Current Ratio is 3.75, working capital is Rs. 3,57,500. Calculate the amount of Current Assets and Current Liabilities.
 - h) Mention two objectives of management reporting.
 - i) What is funds from operation ?
 - j) State the significance of Acid Test Ratio.
 - k) Write a note on “Trend Analysis”.
 - l) State any two uses of cash flow statement.

SECTION - B

Answer any five questions. Each question carries 5 marks.

(5×5=25)

2. From the following Profit and Loss Accounts of X Co. Ltd. for the year ended 31-3-2005 and 31-3-2006, prepare a Comparative Income Statement and give your comments.

| Particulars | Rs. in lakhs | | Particulars | Rs. in lakhs | |
|-----------------------|--------------|--------------|--------------|--------------|--------------|
| | 31-3-2005 | 31-3-2006 | | 31-3-2005 | 31-3-2006 |
| To Cost of goods sold | 1,200 | 1,500 | By Net sales | 1,600 | 2,000 |
| To Operating expenses | | | | | |
| Administration | 40 | 40 | | | |
| Selling exp. | 60 | 80 | | | |
| To Net profit | 300 | 380 | | | |
| | 1,600 | 2,000 | | 1,600 | 2,000 |

3. Analyse the managerial uses of Fund Flow Analysis.
4. Explain the role of Ratio Analysis in Financial Decision Making.
5. Distinguish between Fund Flow Statement and Cash Flow Statement.
6. Discuss the general principles to be obtained while preparing reports.
7. X Ltd. has a quick ratio of 3 : 1 and Current liabilities of Rs. 1,00,000. Stock in trade is Rs. 50,000. Find out its Current Assets and Current Ratio.
8. From the following Balance Sheet of MNP Co. Ltd. prepare a Statement of Sources and Application of Funds.

| Assets | 31 st March 2005 | 31 st March 2006 |
|--------------------------|-----------------------------|-----------------------------|
| Cash in hand and at bank | 70,000 | 1,50,000 |
| Accounts Receivable | 1,96,000 | 1,80,000 |
| Stock | 1,74,000 | 2,40,000 |
| Land | 40,000 | 60,000 |
| Long-term Investments | 30,000 | 20,000 |
| | 5,10,000 | 6,50,000 |

Capital and Liabilities

| | | |
|----------------------|-----------------|-----------------|
| Equity share capital | 2,50,000 | 3,00,000 |
| Accounts payable | 1,40,000 | 2,00,000 |
| General Reserve | 1,20,000 | 1,50,000 |
| | 5,10,000 | 6,50,000 |

9. Calculate Creditors Turnover Ratio from the following information given below:

| | |
|------------------------|--------------|
| Opening creditors | Rs. 50,000 |
| Purchase returns | Rs. 10,000 |
| Cash paid to creditors | Rs. 2,60,000 |
| Closing creditors | Rs. 30,000 |

SECTION - C

Answer **any 3** questions. **Each** question carries **15** marks.

(15×3=45)

10. Using the following data, complete the Balance Sheet below:

| | |
|---|--------------|
| Gross profit (20% on sales) | Rs. 1,20,000 |
| Shareholders equity | Rs. 1,00,000 |
| Credit sales to total sales | 80 % |
| Total Assets turn-over (Sales/Total Assets) | 3 times |
| Inventory Turnover (to cost of sales) | 8 times |
| Average collection period (360 days in a year) | 18 days |
| Current Ratio | 1 : 6 |
| Long term debt to equity | 40% |

Balance Sheet

| Liabilities | Amount | Assets | Amount |
|---------------------|---------------|------------------|---------------|
| Shareholders Equity | – | Fixed Assets | – |
| Long-Term Debts | – | Sundry Debtors | – |
| Sundry Creditors | – | Inventory | – |
| | | Cash | – |
| Total Rs. | – | Total Rs. | – |

11. The following are the Balance Sheets of a concern for the year 2005 and 2006. Prepare a comparative Balance Sheet and study the financial position of the concern.

X Co. Ltd.

| | 2005 | 2006 | | 2005 | 2006 |
|----------------------|------------------|------------------|----------------------|------------------|------------------|
| Equity share capital | 12,00,000 | 16,00,000 | Land and building | 7,40,000 | 5,40,000 |
| Reserves and surplus | 6,60,000 | 4,44,000 | Plant and machinery | 8,00,000 | 12,00,000 |
| Debentures | 4,00,000 | 6,00,000 | Furniture & Fixtures | 40,000 | 50,000 |
| Long term loans | | | Other fixed assets | 50,000 | 60,000 |
| on mortgage | 3,00,000 | 4,00,000 | Cash in hand and | | |
| Bills payable | 1,00,000 | 90,000 | at bank | 40,000 | 1,60,000 |
| Sundry Creditors | 2,00,000 | 2,40,000 | Bills Receivable | 3,00,000 | 1,80,000 |
| Other Current | | | Sundry Debtors | 4,00,000 | 5,00,000 |
| Liabilities | 10,000 | 20,000 | Stock | 5,00,000 | 7,00,000 |
| | | | Prepaid expenses | – | 4,000 |
| | 28,70,000 | 33,94,000 | | 28,70,000 | 33,94,000 |

12. From the following Balance Sheets of ABC Co. Ltd. make out the statement of sources and uses of cash under Indirect method (As per accounting standards).

| Liabilities | 2005 | 2006 | Assets | 2005 | 2006 |
|------------------------|------------------|------------------|-------------------|------------------|------------------|
| E.S. capital | 6,00,000 | 8,00,000 | Goodwill | 2,30,000 | 1,80,000 |
| 9% P.S. capital | 3,00,000 | 2,00,000 | Land & Building | 4,00,000 | 3,40,000 |
| Gen. Reserve | 80,000 | 1,40,000 | Plant | 1,60,000 | 4,00,000 |
| Profit and loss | 60,000 | 96,000 | Stock | 1,54,000 | 2,18,000 |
| Proposed Dividend | 84,000 | 1,00,000 | Debtors | 3,20,000 | 4,00,000 |
| Creditors | 1,10,000 | 1,66,000 | Bills recoverable | 40,000 | 60,000 |
| Bills payable | 40,000 | 32,000 | Cash in hand | 30,000 | 20,000 |
| Provision for taxation | 80,000 | 1,00,000 | Cash at bank | 20,000 | 16,000 |
| | 13,54,000 | 16,34,000 | | 13,54,000 | 16,34,000 |

Additional information:

- Depreciation of Rs. 20,000 and Rs. 40,000 have been charged on plant and land and building respectively in 2006.
- An interim dividend of Rs. 40,000 has been paid in 2006.
- Rs. 70,000 income-tax was paid during the year 2006.

13. The following are the summaries of the Balance Sheets of a Limited company on at 31st December 2005 and 31st December 2006.

| Liabilities | 31-12-2005 | 31-12-2006 | Assets | 31-12-2005 | 31-12-2006 |
|--|-------------------|-------------------|---------------------|-------------------|-------------------|
| Equity share capital | 3,00,000 | 4,00,000 | Goodwill | 60,000 | 55,000 |
| 10% Preference share capital (Redeemable) | 80,000 | 50,000 | Land and building | 1,25,000 | 85,000 |
| Capital Reserve | — | 20,000 | Plant and machinery | 1,20,000 | 2,25,000 |
| General Reserve | 30,000 | 40,000 | Furniture | 15,000 | 12,000 |
| Profit and Loss A/c | 26,000 | 35,000 | Trade investments | 12,000 | 48,000 |
| | | | Sundry Debtors | 65,000 | 1,05,000 |
| | | | Stock | 90,000 | 84,000 |

| | | | | | |
|------------------------|-----------------|-----------------|----------------------|-----------------|-----------------|
| Sundry Creditors | 30,000 | 58,000 | Bills receivable | 16,000 | 30,000 |
| Bills payable | 12,000 | 8,000 | Cash in hand | 13,000 | 20,000 |
| Outstanding exp. | 6,000 | 5,000 | Cash at bank | 15,000 | 20,000 |
| Proposed dividend | 30,000 | 42,000 | Preliminary expenses | 15,000 | 10,000 |
| Provision for taxation | 32,000 | 36,000 | | | |
| | 5,46,000 | 6,94,000 | | 5,46,000 | 6,94,000 |

Additional informations:

- i) A piece of land has been sold in 2006 and the balance has been revalued. Profits on sale and revaluation being transferred to Capital Reserve Account.
- ii) Depreciation on Plant and Machinery has been written off Rs. 24,000 and no depreciation has been charged on land and buildings.
- iii) A machinery was sold for Rs. 16,000 (w.d.v. being Rs. 20,000) and no furniture has been sold during the year.
- iv) An interim dividend of Rs. 20,000 has been paid in 2006.
- v) Rs. 3,000 has been received as dividend on Trade Investments.

Prepare a statement of changes in working capital and a Fund Flow Statement for the year 2006.

14. "Accounting reports are a matter of necessity for the management and not a matter of convenience" Explain.

Kannada Version

ಕನ್ನಡ ಆವೃತ್ತಿ

ವಿಭಾಗ-ಎ

1. ಯಾವುದಾದರೂ ಹತ್ತು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ 2 ಅಂಕಗಳು.

(10×2=20)

- a) ನಿರ್ವಹಣೆ ಲೆಕ್ಕಿಗನ ನಾಲ್ಕು ಕರ್ತವ್ಯಗಳನ್ನು ಹೆಸರಿಸಿ.
- b) ಸಾಲ ಬಂಡವಾಳ ಪ್ರಮಾಣ ಎಂದರೇನು ?
- c) ಕಂಪನಿಯ ಕೊನೆಯ ದಾಸ್ತಾನು ರೂ. 2,00,000/-

ಒಟ್ಟು ದ್ರವ ರೂಪ ಆಸ್ತಿಗಳು ರೂ. 10,00,000

ದ್ರವ ಪ್ರಮಾಣ 2 : 1. ನಿವ್ವಳ ಕಾರ್ಯ ಬಂಡವಾಳವನ್ನು ಕಂಡುಹಿಡಿಯಿರಿ.

- d) ಮಾರಾಟದ ವಸ್ತುವಿನ ಉತ್ಪಾದನಾ ವೆಚ್ಚ ರೂ. 2,40,000
ದಾಸ್ತಾನು ವಹಿವಾಟು ಪ್ರಮಾಣ 6ರಷ್ಟು
ಪ್ರಾರಂಭದ ಸರಕು ಮುಕ್ತಾಯದ ಸರಕಿಗಿಂತ ರೂ. 6,000 ಜಾಸ್ತಿ. ಪ್ರಾರಂಭದ ಸರಕನ್ನು ಲೆಕ್ಕ ಹಾಕಿ.
- e) ಸಮಾನ ಗಾತ್ರ ಪಟ್ಟಿಯಿಂದರೇನು ?
- f) ನಿಧಿ ಚಾಲನಾ ಪಟ್ಟಿಯನ್ನು ವ್ಯಾಖ್ಯಿಸಿ.
- g) ಚಾಲ್ತಿ ಪ್ರಮಾಣ 3.75, ಕಾರ್ಯಬಂಡವಾಳ 3,57,500 ಚಾಲ್ತಿ ಆಸ್ತಿ ಮತ್ತು ಚಾಲ್ತಿ ಜವಾಬ್ದಾರಿಯನ್ನು ಕಂಡುಹಿಡಿಯಿರಿ.
- h) ನಿರ್ವಹಣೆ ವರದಿ ನೀಡುವಿಕೆಯ ಎರಡು ಉದ್ದೇಶಗಳನ್ನು ಹೆಸರಿಸಿ.
- i) ಕಾರ್ಯಾಚರಣೆಯಿಂದ ಗಳಿಸಿದ್ದು ಎಂದರೇನು ?
- j) ಆಮ್ಲ ಪರಿಣಾಮ ಪ್ರಮಾಣ ಮಹತ್ವವನ್ನು ತಿಳಿಸಿ.
- k) ಪ್ರವೃತ್ತಿ ವಿಶ್ಲೇಷಣೆ ಎಂದರೇನು ?
- l) ನಗದು ಚಾಲನಾ ಪಟ್ಟಿಯ ಎರಡು ಉಪಯೋಗಗಳನ್ನು ತಿಳಿಸಿ.

ವಿಭಾಗ-ಬಿ

2. ಯಾವುದಾದರೂ ಐದು ಪ್ರಶ್ನೆಗಳಿಗೆ ಉತ್ತರಿಸಿ. ಪ್ರತಿ ಪ್ರಶ್ನೆಗೆ 5 ಅಂಕಗಳು.

(5×5=25)

X ಕಂಪನಿಯ ಎರಡು ವರ್ಷದ ಲಾಭ ಮತ್ತು ನಷ್ಟದ ಖಾತೆಗಳನ್ನು 31-3-2005 ಮತ್ತು 31-3-2006ರ ಕೊನೆಗೆ ಇಲ್ಲಿ ಕೊಟ್ಟಿದೆ. ತುಲನಾತ್ಮಕ ಆದಾಯ ಪಟ್ಟಿಯನ್ನು ತಯಾರಿಸಿ ಮತ್ತು ನಿಮ್ಮ ಅಭಿಪ್ರಾಯ ತಿಳಿಸಿ.

ರೂ. ಲಕ್ಷಗಳಲ್ಲಿ

| | 31-3-2005 | 31-3-2006 | | 31-3-2005 | 31-3-2006 |
|-------------------------------|--------------|--------------|--------------|--------------|--------------|
| ಮಾರಾಟದ ವಸ್ತುವಿನ ತಯಾರಿಕೆ ವೆಚ್ಚ | 1,200 | 1,500 | ನಿವ್ವಳ ಮಾರಾಟ | 1,600 | 2,000 |
| ಕಾರ್ಯಕಾರಿ ಖರ್ಚುಗಳು: | | | | | |
| ಆಡಳಿತ ಖರ್ಚು | 40 | 40 | | | |
| ಮಾರಾಟದ ಖರ್ಚು | 60 | 80 | | | |
| ನಿವ್ವಳ ಲಾಭ | 300 | 380 | | | |
| | 1,600 | 2,000 | | 1,600 | 2,000 |