

Third Year B.Com., Degree Examinations

September / October 2014

(Directorate of Distance Education)

COMMERCE

Paper – V: DCC 250: MANAGEMENT ACCOUNTING

Time: 3hrs.]

[Max. Marks: 70/80

Instructions to candidates:

«ZÁyÖUÚÚÉ, ÆZEÉÚÚÁ:

1. Students who have attended 30 Marks Internal Assessment scheme will have to answer for total of 70 Marks.
30 CAPUÚÁ DAVJ PÁ ¥LWAIÄrAiÄ° è SgÄ°Ä «ZÁyÖUÚÚÁ 70 CAPUÚÁ ¥ÆÜÚÚÉ GvJ, Ä'ÄPÄ.
2. Students who have attended 20 Marks Internal Assessment scheme will have to answer for total of 80 Marks.
20 CAPUÚÁ DAVJ PÁ ¥LWAIÄrAiÄ° è SgÄ°Ä «ZÁyÖUÚÚÁ 80 CAPUÚÁ ¥ÆÜÚÚÉ GvJ, Ä'ÄPÄ.
3. Note: Q.No. 14 OR 15 in Section – D is compulsory for 80 marks Scheme only.
ÆZEÉ «'ÁUÄ– rAiÄ° ÉÄ ¥Æ, ÄSÄ (18 CxPÁ 19) 80 CAPUÚÁ ¥ÆÜÚÚÉ GvJ, Ä'ÄPÄ J ÚÉ PÄÄAiÄ.

SECTION – A

I. Answer any Two of the following questions. 2 marks each : 2 x 5 = 10 Marks

1. Write a note on limitations of Management Accounting.
2. Name any five techniques of analysis and interpretation of financial statement.
3. Write the proforma of Fund Flow statement.
4. Define 'Break-even point and Margin of safety' .

SECTION – B

II. Answer any THREE of the following questions. 10 marks each: 3 x 10 = 30 Marks

5. Bring out the differences between management accounting and financial accounting.
6. What do you mean by Ratio analysis? How do you assess profitability and liquidity position of an organisation?
7. From the following information compute
a) P/v Ratio b) Sales required to earn a profit of Rs 1,60,000 c) The profit if sales is Rs 4,00,000

Year	Sales (Rs)	Profit (Rs)
2012	3,60,000	2,80,000
2013	4,80,000	3,52,000

Contd.....2

8. Convert the following income statement into common size income statement.

Particulars	2012	2013
Gross Sales	14,50,000	16,30,000
Sales Returns	<u>50,000</u>	<u>30,000</u>
Net sales	14,00,000	16,00,000
Cost of sales	<u>11,90,000</u>	<u>12,30,000</u>
Gross profit	<u>2,10,000</u>	<u>3,70,000</u>
Operating expenses:		
Selling & distribution expenses	46,000	48,000
Administrative expenses	<u>25,400</u>	<u>25,000</u>
Total operating expenses	<u>71,400</u>	<u>73,000</u>
Operating income	<u>1,38,600</u>	<u>2,97,000</u>
Other income	<u>2,400</u>	<u>16,100</u>
	1,41,000	3,13,100
Non operating expenses	<u>3,500</u>	<u>3,880</u>
Net profit	1,37,500	3,09,220

9.

Total Sales	4,00,000
Cash sales	80,000
Return inwards	28,000
Debtors on 1.4.2013	28,000
Bills receivable on 1.4.2013	24,000
Debtors on 31.3.2012	36,000
B.R on 31.3.2002	8,000
Reserve for Bad debts	4,000
Total purchases	2,00,000
Cash purchases	20,000
Creditors on 1.4.2013	40,000
Creditors on 31.3.2012	20,000
B.P on 1.4.2013	8,000
B.P. on 31.3.2012	12,000
Return outwards	4,000

Calculate (i) Debtors velocity and Average collection period.

(ii) Creditors Turnover and Average Payment Period.

Take 360 days in a year.

SECTION – C

III. Answer any TWO of the following questions. 15 marks each:

2 x 15 = 30 Marks

10. What is Management Accounting? Explain its features and functions.

Contd.....2

11. The following figures relate to the financial position of Ayodhya Ltd. for the year ended 31.03.2013.

	Debtor	Creditor
Equity share capital	-	5,00,000
10% preference share capital	-	2,50,000
Unclaimed dividends	-	10,000
Proposed dividends	-	50,000
Land & building	7,00,00	-
Plant & machinery	10,25,000	-
Vehicles	75,000	-
Furniture	1,00,000	-
Depreciation on asset up to 31-12-13	-	4,00,000
Bank over draft (unsecured)	-	3,00,000
Long term secured loan from bank	-	4,00,000
Fixed deposits (repayable within one year)	-	5,00,000
Stock in trade	6,00,000	-
Sundry debtors	2,50,000	-
Cash on hand	5,000	-
Bank balance	20,000	-
Preliminary expenses	50,000	-
Profit & loss account	-	1,00,000
Provision for taxation	-	1,40,000
Sundry creditors	-	2,00,000
Trade investments	25,000	-
	28,50,000	28,50,000

You required to prepared a Balance sheet in the suitable forms for analytical purpose and calculate.

- a. Current ratio
 - b. Proprietary ratio
 - c. Debt equity ratio and
 - d. Acid test ratio
12. A factory is currently working at 50% capacity and produces 10,000 units at a cost of Rs 180 per unit as detailed below

Materials	Rs 100
Labour	Rs 30
Factory over head	Rs 30 (Rs 12 fixed)
Administration over head	Rs 20 (Rs 10 fixed)
Total	180

The current selling price is Rs 200 per unit at 60% working. Material cost per unit increase by 2% and selling price per unit falls by 2% at 80% working, material cost per unit increase by 5% and selling price per unit falls by 5%. Estimate profit for the factory at 60% and 80% working and after comments.

13. The following are the comparative balance sheet of Deepa Ltd as on 31-3-2013.

Balance sheet

Liabilities	2012	2013	Assets	2012	2013
Share capital	10,00,000	11,00,000	Good will	50,00	40,000
Debentures	5,00,000	3,00,000	Land	4,20,000	6,60,000
Reserve fund	2,00,000	2,00,000	Machinery	6,00,000	8,00,000
Profit & loss a/c	1,10,000	1,90,000	Stock	2,50,000	2,10,000
Creditors	50,000	40,000	Debtors	3,00,000	2,40,000
Tax provision	40,000	1,10,000	Preliminary expenses	30,000	20,000
Bills payable	20,000	30,000	Cash	3,00,000	24,000
Reserve for bad debts	30,000	24,000			
	<u>19,50,000</u>	<u>19,94,000</u>		<u>19,50,000</u>	<u>19,94,000</u>

Additional Information :

- During the year 2013 a part of the machine costing Rs 7,500 (accumulated depreciation thereon being Rs 2,500) was sold for Rs 3,000
- Income tax of 2012 was paid in 2013 Rs 4,000. This is to be disclosed in the fund flow statement.
- Depreciation on machinery for 2013 was provided at Rs 5000
Prepare fund flow statements.

SECTION – D

Note: Compulsory for 80 marks scheme only

IV. Answer any ONE of the following questions:

1 x 10 = 10 Marks

- What do you understand by the terms “Management Reporting”? What are the guiding principles of Management Reporting?
- From the following particulars. Compute 1) material cost variance 2) Material price variance and 3) Material usage variance.
Quantity of material purchased: 3000 units
Value of material purchased Rs 9000
Standard quantity of material required per tonne of output: 30 units.

Standard value of material Rs 2.50 per unit opening stock of material nil
Closing stock of material: 500 tonnes.
Output during the period 80 tonnes.

PERQÀ D^a ÌWÚ

«[·]ÁUÀ - J

I. AiiÁ^aÁZÁZbME JgbÁ ÆÁU½UÉ GvJ 1j. vÁ Á 5 CAPUÁÁ:

2 x 5 = 10 Marks

1. «^aD^oLUÁ - PLEÁ, ÌZÁ EKEËEMUÁEÁB w½¹.
2. °ÁCPÁ, Á ÆhÖ «±ÁµLUÁiÁ LZÁ SUEÁEÁB w½¹.
3. «ÇüZPEÁ ÆhÁiÁ 'aÁÁZj' SgÉ-Áj.
4. 'ÁÁ[·]ÁdPA ©AZÁ' aÁVÁU gPÁVÁVPA CAZÁ' aÁÁSÁÁ[·]1.

«[·]ÁUÀ - ©

II. AiiÁ^aÁZÁZbME aÁEgÁ ÆÁU½UÉ GvJ 1j. vÁ Á 10 CAPUÁÁ:

3 x 10 = 30 Marks

5. «^aD^oAD - PLEÁ, Ì aÁVÁU °ÁCPÁ, Á - PLEÁ, ÌZÁ aÁVÁÁ, UÁEÁB °ÉgMUE-Áj.
6. ÆÁÁÁt «±ÁµLUÉ JAZbÁEÁ? MAZÁ, Á, ÁiÁ - Á[·]ÁÁ±Á¹W aÁVÁU C-ÁÁ[·]ÇüZPEÁ¹WÁiÁEÁB °ÁUÉ PÁqÁ»r-Áj.
7. PÁVÁEÁ aÁÁÁ»w-ÁÁZÁ
 J) - Á[·]Á ÆÁÁÁt CEÁÆÁVÁ ©) gME 1,60,000 - Á[·]Á ÆÁÁiÁ®Á[·]ÁPÁUÁ^a aÁÁgÁI
 1) gME 4,00,000 aÁÁgÁI PÉ - Á[·]Á PÁqÁ»r-Áj.

aÁUÖ aÁÁgÁI (gME)	MI ÁO ^a ÁZÁ (gME)
2012 3,60,000	2,80,000
2013 4,80,000	3,52,000

8. PÁVÁEÁ DzÁÁiÁ ÆÁÁiÁEÁB, PÁÁEÁ UÁVÁZÁ ÆÁÁiÁEÁÁV Æj^aÁVÖ¹ SgÉ-Áj..

« ^a Áj	2012	2013
MI ÁO ^a ÁgÁI	14,50,000	16,30,000
aÁYÁ, ÁwUÁÁ	50,000	30,000
« ^a ÁÁ aÁÁgÁI	14,00,000	16,00,000
aÁÁj ZÁ, ÁQDEÁ ^a ÁZÍ	11,90,000	12,30,000
ÁÁEÜ [®] - Á [·] i	2,10,000	3,70,000
aÁÁÁj PÁ ^a ÁZUÁÁ		
aÁÁgÁI aÁVÁU «vÁjt ^a ÁZÍ	46,000	48,000
DqÁVÁVPA ^a ÁZÍ	25,400	25,000
MI ÁO ^a ÁÁj PÁ ^a ÁZÍ	71,400	73,000
aÁÁÁj PÁ DzÁÁiÁ	1,38,600	2,97,000
aÁÁÁjÁVÁ DzÁÁiÁ	2,400	16,100
aÁÁÁjÁVÁ ^a ÁZÍ	1,41,000	3,13,100

CEA ^a IAEA ^z A ^o U ^z U ⁱ					
PA ⁻ Aj ¹ z ¹ C ^ü	30,000	24,000			
	19,50,000	19,94,000		19,50,000	19,94,000

Evge^aIA[»]wUMA:

C) 2013 g^a ^aµDzP è g^{ME} 7500 ^aIE^oz¹ MAZ¹ AIAV^{EA}Y^Pg^{at} ^aEA^B g^{ME} 3000 PÉ ^aIAg^{AI}
^aIAq^{AI} AVzÉ (Cz^gA^aIA^o EA MI AÖ^z P^z g^{ME} 2500)

D) 2012 g^a Dz^{AI}IA¹ vj^UÉ g^{ME} 4000 ^aEA^B 2013 g^P è ^aIA^{lv} ^aAVz^{AY} Cz^{EA}B C^ü Z^PEA¹
^ah^{AI}IA^o è v^{EA}J^z ^aIPAVzÉ

E) 2013 g^P è AIAV^{EA}Y^Pg^{at} z¹ P^z g^{ME} 5000 v^UAI¹-AVzÉ

«¹IAUA – r

^aMEZEUMA: 80 CAPUMA ^aEA^B ^aIA^{lv} Eg^a ^aIP^zAI^{IA} ^aEA^BUMA

IV. AIA^aIAz^zg^{ME} MAZ¹ ^aEA^BÉ Gv^J 1:

1 x 10 = 10 Marks

14. ^aIA^oIt ^ag^{IC} JAZ^zg^{EA}? ^aIA^oIt ^ag^{IC} AIA^{EA}B v^{AI}IAj^z P^{AI} CE^{AI} ^aIA^{lv} ^aIPAZ¹ v^UUMA
 AIA^aIA^a?

15. F P^zME¹ «^aIAIAU^zAz¹ E^aU^{ME}EA^B P^{IA}q¹»r-¹Aj. C) ^aIA^{lv}UMA ^aEA^B ^aIA^{lv} ^aIA^{lv} DO
^aIA^{lv}UMA ^aEA^B ^aIA^{lv} ^aIA^{lv} E) ^aIA^{lv}UMA G^aIAI^{EA}VP^{AI} ^aIA^{lv} ^aIA^{lv}

^aIA^{lv}UMA Rj¹ ^aIA^{lv} ^aIA^{lv} : 3000 PÉ

^aIA^{lv}UMA Rj¹ ^aIA^{lv} ^aIA^{lv} : g^{ME} 9000

MAZ¹ I Eⁱ Gv^{EA} v^{AI}IAj^z P^{AI} ^aIPAZ¹ ^aU^{IC} ^aIA^{lv} ^aIA^{lv} ^aIA^{lv} : 30 PÉ

^aU^{IC} ^aIA^{lv} ^aIA^{lv} ^aIA^{lv} g^{ME} 2.50 ^aIA^{lv} PÉUÉ

Dg^{IA}CP^{AI} ^aIA^{lv} ^aIA^{lv} : E^o

CAw^{AI} ^aIA^{lv} ^aIA^{lv} : 500 PÉ

^aµDzP è v^{AI}IAj¹ z¹ Gv^{EA} : 80 I EⁱUMA
