



ADITYA DEGREE COLLEGES

* ANDHRA PRADESH *

PRE FINAL - EXAMINATIONS

III B.Com VI SEMESTER

MANAGEMENT ACCOUNTING

Max. Marks : 75 M

Time: 3 Hours

Date: 26.03.2020

SECTION-A

I. Answer any FIVE of the following questions: 5 x 5 = 25 M

1. Scope of Management Accounting.
2. Types of ratios.
3. Merits of funds flow analysis
4. Objective of Cash flow statement.
5. Assumptions of Break even analysis
6. Profitability ratios.
7. P/V. Ratio.
8. Objectives of financial statements.

SECTION-B

II. Answer the following questions: 5 x 10 = 50 M

9. a) Explain about significance of management accounting . (Or)
b) Prepare common size statement of Profit & Loss.

Particulars	2016	2015
Revenue from operations (sales)	6000000	3500000
Purchase of Stock in trade	4000000	2250000
Change in Inventories	300000	200000
Other income	200000	150000
Other Expenses	150000	100000
Income Tax	35%	40%

10. a) Discuss objectives and limitations of Ratio analysis. (Or)
b) From the following P & L A/c, Calculate Gross Profit ratio, Net profit ratio, operating ratio, operating profit ratio, Administrative expenses ratio.

	Rs/-		Rs/-
To Opening Stock	100000	By Sales	560000
To Purchases	350000	By Closing Stock	100000
To Wages	9000		
To Gross profit c/d	201000		
	660000		660000
To Adminstrative expenses	20000	By Gross Profit b/d	201000
To S & D expenses	89000	By Interst on investment (outside business)	10000
To Non - Operating Expenses	30000	By Profit on Sale of investments	8000
To Net Profit	80000		
	219000		219000

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11. a) Write about significance of funds flow statement.

(Or)

b) From the following Balance sheet of Mr. A. Prepare funds flow Statement.

Liabilities	2013	2014	Assets	2013	2014
Capital	63000	100000	Cash	15000	20000
LT Borrowings	50000	60000	Debtors	30000	28000
Trade Creditors	42000	39000	Stock in trade	55000	72000
Bank Overdraft	35000	25000	Land & Buildings	80000	100000
Outstanding expenses	5000	6000	Furniture	15000	10000
	195000	230000		195000	230000

12. a) Explain the Procedure of preparing a Cashflow Statement.

(Or)

b) Prepare Cash flow statement from the following using direct method.

Summary Cash A/c (31.03.2016)

Balance on 01.04.2016	100000	Payment of Suppliers	4000000
Issue of equity shares	600000	Purchase of fixed assets	400000
Receipts from Customers	560000	Overhead expenses	400000
Sales of fixed Assets	200000	Wages & Salaries	200000
		Taxation	500000
		Dividend	100000
		Repayment of bank loan	600000
		Balance on 31.03.2016	300000
	6500000		6500000

13. a) Calculate P/V ratio, Break even sales with P/V ratio, Sales required to earn a profit of Rs.4,50,000.

Fixed Expenses - Rs. 90,000

Variable cost - Rs. 9

Selling price per unit - Rs. 12.

(Or)

b) Explain the term " B.E.P". Discuss its assumptions and limitations.