

2316

180

Class – B.Com. (P) Sem -IV

Subject – Management Accounting

Paper – BCP-405

Time Allowed : 3 Hours

Maximum Marks : 50

SECTION-A

Attempt any 10 questions out of 12. Each question carries 1 mark.

- (i) Difference between management accounting and cost accounting.
- (ii) Is Depreciation a source of funds?
- (iii) Compare fund flow statement with balance sheet.
- (iv) Trading on equity.
- (v) Limitations of financial statements
- (vi) Du-Pont Control Chart.
- (vii) ROI
- (viii) What do you understand by management reporting?
- (ix) Types of Financial Analysis.
- (x) Define Management Accounting.
- (xi) Financial Controller.
- (xii) Capital gearing ratio.

SECTION-B

Attempt any 2 questions out of 4. Each question carries 10 marks.

2. "Management accounting is nothing more than the use of financial information for management purposes". Explain this statement and clearly distinguish between financial accounting and management accounting.

3. "Financial statements reflect a combination of recorded facts, accounting conventions and personal judgement." Discuss.

4. The Balance sheet of S & Co. and K & Co. are given as follows :

Particulars	S and Co.(₹)	K and Co. (₹)
I. Equity and Liabilities		
Shareholder's funds		
Share Capital :		
'Preference share capital	1,20,000	1,60,000
Equity share capital	1,50,000	4,00,000
Reserve and Surplus	14,000	18,000
Non-Current liabilities :		
Long-term loans	1,15,000	1,30,000
Current Liabilities :		
Trade Payables :		
Bills Payable	2,000	
Sundry Creditors	12,000	4,000
Outstanding expenses	15,000	6,000
Proposed Dividend	10,000	90,000
	<u>4,38,000</u>	<u>8,08,000</u>

II. Assets

Particulars	S and Co.(₹)	K and Co. (₹)
Non-current Assets		
Tangible assets :		
Land and Building	80,000	1,23,000
Plant and Machinery	3,34,000	6,00,000
Current Assets :		
Temporary Investment	1,000	40,000
Inventories	10,000	25,000
Trade Receivables (Book Debts)	4,000	8,000
Prepaid expenses	1,000	2,000
Cash and Cash equivalents :		
Cash and Bank balances	8,000	10,000
	<u>4,38,000</u>	<u>808,000</u>

Compare the financial position of two companies with the help of common size balance sheet and also interpret the results.

- Q5 Following are the summarised balance sheets of ESS GEE Ltd. as on December, 31 2010 and 2011.

	₹	₹		₹	₹
Liabilities	2010	2011	Assets	2010	2011
Share Capital	1,00,000	1,30,000	Land & Building	1,00,000	95,000
General Reserve	25,000	30,000	Machinery	75,000	84,500
Profit & Loss A/C	15,200	15,400	Stock	50,000	37,000
Bank Loan (short-term)	35,000	-	Sundry Debtors	40,000	32,100
Sundry Creditors	75,000	67,500	Cash	200	300
Provision for tax	15,000	17,500	Bank Goodwill	-	4,000
					7,500
	<u>2,65,200</u>	<u>2,60,400</u>		<u>2,65,200</u>	<u>2,60,400</u>

Additional Information :-

- (i) Dividend of ₹11,500 was paid.
- (ii) Assets of another company were purchased for a consideration of ₹ 30,000 payable in shares. The following assets were purchased : stock ₹10,000, machinery ₹12,500.
- (iii) Machinery was further purchased for ₹4000.

- (v) Income tax provided during the year ₹16,500.
- (vi) Loss on sale of machine ₹100 was written off to General Reserve.

You are required to prepare a statement of funds flow.

SECTION-C

- 6. What are different methods used for the analysis and interpretation of financial statements?
- 7. Explain the role of reporting system in effective management. Discuss the various kinds of reports prepared for different levels of management.
- 8. From the following information, make out a statement of Proprietor's Funds with as many details as possible :

(i) Current Ratio	2.5
(ii) Liquid Ratio	1.5
(iii) Proprietary Ratio (Fixed Assets/ Proprietor's Funds)	0.75
	₹
(iv) Working Capital	60,000
(v) Reserves & Surplus	40,000
(vi) Bank Overdraft	10,000
(vii) There is no long-term loan or fictitious assets.	

- 9. From the following information, interpret the results of operations of a manufacturing concern, using trend ratios :

(₹Lakhs)

	2008	2009	2010	2011
Sales (Net)	100	90	120	150
Less: Cost of goods sold	60	60	70	80
Gross Profit	40	30	50	70
Less: Operating expenses	10	10	15	20
Net operating Profit	30	20	35	50
Less: Taxes	15	10	17.5	25
Profit after tax	15	10	17.5	25
