

**Exam. Code : 107304**

**Subject Code : 2148**

**B.Com. (Prof.) Semester—IV (Old Syllabus 2016)**

**MANAGEMENT ACCOUNTING**

**Paper : BCP-405**

Time Allowed—3 Hours] [Maximum Marks—50

**SECTION—A**

**Note :—** Attempt any **TEN** questions. Each question carries **1** mark. Answer to each question should not exceed **5** lines.

I. Write notes on the following :

- (a) Management Accounting
- (b) Difference between Balance Sheet and Funds Flow Statement
- (c) Owners Equity
- (d) Cash Flow Statement
- (e) Debt to Equity Ratio
- (f) Trend Analysis
- (g) Special Reports
- (h) Comparative Statements
- (i) Du-Pont Chart
- (j) Working Capital
- (k) Current Liabilities
- (l) Profit and Loss Account.

**SECTION—B**

**Note :—** Attempt any **TWO** questions. Each question carries **10** marks. Answer to each question should not exceed **5** pages.

- II. Define management accounting. Explain the nature and scope of management accounting.
- III. What do you understand by financial statements ? Discuss the importance and limitations of financial statements.
- IV. What is the purpose of preparing cash flow statement ? How it is prepared ? Explain and illustrate.
- V. The following is the Balance Sheet of New India Ltd., for the year ending Dec. 31, 2007 :

<b>Liabilities</b>	<b>Rs.</b>	<b>Assets</b>	<b>Rs.</b>
9% Preference Share Capital	5,00,000	Goodwill	1,00,000
Equity Share Capital	10,00,000	Land and Building	6,50,000
8% Debentures	2,00,000	Plant	8,00,000
Long-term Loan	1,00,000	Furniture and Fixture	1,50,000
Bills Payable	60,000	Bills Receivable	70,000
Sundry Creditors	70,000	Sundry Debtors	90,000
Bank Overdraft	30,000	Bank Balance	45,000
Outstanding Expenses	5,000	Short-term Investments	25,000
		Prepaid Expenses	5,000
		Stock	30,000
	<u>19,65,000</u>		<u>19,65,000</u>



From the balance sheet calculate :

- (a) Current Ratio
- (b) Acid Test Ratio
- (c) Absolute Liquid Ratio
- (d) Comment on these ratios

### SECTION—C

**Note** :— Attempt any **TWO** questions. Each question carries **10** marks. Answer to each question should not exceed **5** pages.

- VI. What do you understand by analysis and interpretation of financial statements ? Discuss their utility and significance to the management and others who are interested in the business.
- VII. What is the significance of reporting system in a company ? Discuss the kinds of reports prepared for different levels of management.
- VIII. Explain and illustrate the process of report writing.
- IX. The Income Statements of Sanyasi Ltd. are given for the years 2006 and 2007. Convert them into Common-size Income Statement and interpret the changes.

#### Income Statements

for the years ending 2006 and 2007

	2006	2007
	Rs.	Rs.
Gross Sales	7,25,000	8,15,000
Less: Sales returns	<u>25,000</u>	<u>15,000</u>
Net Sales	7,00,000	8,00,000
Cost of Sales	5,95,000	6,15,000
Gross Profit	<u>1,05,000</u>	<u>1,85,000</u>

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(Contd.)

<b>Operating Expenses</b>	<b>2006</b>	<b>2007</b>
	<b>Rs.</b>	<b>Rs.</b>
Selling and Distribution Expenses	23,000	24,000
Administrative Expenses	<u>12,700</u>	<u>12,500</u>
Total	35,700	36,500
Operating Income	69,300	1,48,500
Other Incomes	<u>1,200</u>	<u>8,050</u>
	70,500	1,56,550
Non-operating expenses	<u>1,750</u>	<u>1,940</u>
Net Profit during the year	<u><u>68,750</u></u>	<u><u>1,54,610</u></u>

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