

(i) Printed Pages : 7

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(ii) Questions : 14

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Exam. Code :

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Bachelor of Commerce 5th Semester
1128

MANAGEMENT ACCOUNTING
Paper-BCM-502

Time Allowed : Three Hours]

[Maximum Marks : 80

Note :- Attempt any **four** questions from Section-A carrying **5** marks each, **two** questions from Section-B carrying **15** marks each and also **two** questions from Section-C carrying **15** marks each.

SECTION-A

1. Define Social Accounting.
2. What is Economic Value Added ?
3. What is Capital Gearing Ratio ?
4. What is financial analysis ?
5. The net profit (after taxes) of a firm is Rs. 75,000 and its fixed interest charges on long-term borrowings are Rs. 10,000. The rate of income-tax is 50%. Calculate interest coverage ratio.

6. From the information given below, ascertain the cost of sales and closing inventory under CPP method, if LIFO is followed :

	Rs.
Inventory on 1.1.2007	20,000
Purchase during 2007	1,00,000
Inventory on 31.12.2007	30,000
General Price index :	
On 1.1.2007	160
Average for the year	180
On 31.12.2007	200

SECTION-B

7. The following information are given about X Ltd. for the year ending 31st March, 2008 :
- (i) Stock turnover ratio = 6 times
 - (ii) Gross Profit ratio = 20% on sales
 - (iii) Sales for the year = Rs. 3,00,000
 - (iv) Opening creditors = 20,000
 - (v) Closing creditors = Rs. 30,000
 - (vi) Trade debtors at the end = Rs. 60,000

- (vii) Net working capital = Rs. 50,000
- (viii) Closing stock is Rs. 10,000 more than the opening stock.

Find out :

- (a) Average Stock
 - (b) Purchases
 - (c) Creditors Turnover Ratio
 - (d) Average Payment Period.
8. Prepare a Common-Size Statement of Profit and Loss from the following information and interpret the same :

Particulars	31.03.2016	31.03.2015
Revenue from Operations	2,50,000	2,00,000
Cost of Material Consumed	1,70,000	1,40,000
Finance Costs	20,000	16,000
Other Expenses	10,000	14,000
Other income (Interest)	10,000	10,000

9. "Financial Statements reflect a combination of recorded facts, accounting conventions, and personal judgements". Discuss.
10. Discuss nature and scope of Management Accounting. How Management Accounting is different from Financial Accounting ?

11. From the following Balance Sheets of Alpha Ltd. make out Cash Flow Statement :

Liabilities	2010 Rs.	2011 Rs.	Assets	2010 Rs.	2011 Rs.
Equity Share Capital	3,00,000	4,00,000	Goodwill	1,00,000	80,000
8% Redeemable Preference Share Capital	1,50,000	1,00,000	Land and Building	2,00,000	1,70,000
Capital Reserve		20,000	Plant	80,000	2,00,000
General Reserve	40,000	50,000	Investments	20,000	30,000
Profit and Loss A/c	30,000	48,000	Sundry Debtors	1,40,000	1,70,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Sundry Creditors	25,000	47,000	Bills receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash in Hand	15,000	10,000
Liability for Expenses	30,000	36,000	Cash in Bank	10,000	8,000
Provision for Taxation	40,000	50,000	Preliminary Expenses	15,000	10,000
	6,77,000	8,17,000		6,77,000	8,17,000

Notes :

- (1) A piece of land had been sold out in 2011 and the profit on sale has been credited to capital reserve.
 - (2) A machine has been sold out for Rs. 10,000. The written down value of the machine was Rs. 12,000. Depreciation of Rs. 10,000 is charged on plant account in 2011.
 - (3) The investments are trade investments, Rs. 3,000 by way of dividend is received including Rs. 1,000 from pre-acquisition profit which has been credited to investment account.
 - (4) An interim dividend of Rs. 20,000 has been paid in 2011 in addition to the dividend proposed in 2010.
 - (5) A provision of Rs. 50,000 for taxation was made in 2011.
12. "Accounting ignores inflection and inflation makes a mockery of accounting". Explain.
 13. Comment upon the Lev and Schwartz model and Flamboltz model of human resource accounting.
 14. Following are the summaries of Balance Sheets of a Limited Company as on 31st December, 2010 and 2011 :

	2010 Rs.	2011 Rs.
Paid up Share Capital	1,00,000	1,00,000
General Reserve	21,400	26,000
Profit and Loss A/c	17,000	16,000
Creditors	9,750	6,380
Provision for taxation (Non-Current)	19,000	21,000
Provision for doubtful debts	1,000	1,200
	1,68,150	1,70,580
Buildings	46,800	45,000
Machinery	38,280	42,030
Goodwill	13,000	13,000
Investments	10,000	11,250
Stock	30,000	28,000
Debtors	22,000	22,000
Prepaid Expenses	70	300
Cash Balance	8,000	9,000
	1,68,150	1,70,580

Additional Information :

- (a) The profit for the year 2011 was Rs. 8,600 which has been arrived at after charging Rs. 3,050 by way of depreciation and increase in provision for doubtful debts Rs. 200.
- (b) An interim dividend of Rs. 5,000 was paid in October 2011.
- (c) Additional machinery was purchase in May, 2011 for Rs. 5,000.
- (d) Investments (Cost Rs. 5,000) were sold in Nov. 2011 for Rs. 4,800 and on 1st December, 2011 another investment was made for Rs. 6,250.
- (e) Income-tax Rs. 18,000 was paid during the year and charged against the provision.

Prepare a statement showing Sources and Applications of Funds during the year 2011.

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