

2012  
Bachelor of Commerce  
Fifth Semester  
BCM-502: Management Accounting

Time allowed: 3 Hours

Max. Marks: 80

**NOTE:** Attempt four short answer type questions from Section-A carries 5 marks each. Attempt two questions each from Section B and C respectively carries 15 mark each.

x-x-x

**Section - A**

1. What do you mean by Comparative Financial Statements? (4 x 5 =20)
2. Define Social Accounting.
3. From the information given below, ascertain the cost of sales and closing inventory under CPP method, if LIFO is followed:
- |                         |          |
|-------------------------|----------|
| Inventory on 1.1.2007   | ₹        |
| Purchase during 2007    | 20,000   |
| Inventory on 31.12.2007 | 1,00,000 |
| General Price Index:    | 30,000   |
| On 1.1.2007             | 160      |
| Average for the year    | 180      |
| On 31.12.2007           | 200      |
4. A firm has made credit sales of ₹2, 40,000 during the year. The outstanding amount of debt at the beginning and at the end of the year respectively was ₹27,500 and ₹32,500. Determine the debtor turnover ratio.
5. Calculate 'Funds From Operations' from the information given below as on 31st March 2014:
- (a) Net Profit for the year ended 31 March 2014, ₹6, 50,000
  - (b) Gain on sale of building ₹35,500
  - (c) Goodwill appears in the books at ₹1, 80,000 out of which 10% has been written off during the year
  - (d) Old machinery worth ₹8,000 has been sold for ₹6,500 during the year
  - (e) ₹1, 25,000 have been transferred to the General Reserve Fund
  - (f) Depreciation has been provided during the year on machinery and furniture at 20% whose total cost is ₹6, 50,000

6. Compute cash flows from operating activities from following:

	2001-02 (₹)	2000-01 (₹)
Profit & Loss Account	2,40,000	2,20,000
Debtors	1,24,000	1,00,000
Outstanding Rent	84,000	28,000
Goodwill	1,52,000	1,60,000
Creditors	76,000	52,000

P.T.O.

(2)

**Section – B**

7. Define Management Accounting. Explain the scope and importance of Management Accounting in modern digital economy.
8. What do you understand by the analysis and interpretation of financial statements? Explain any three methods used for the analysis and interpretation of financial statements.
9. The following information are given about X Ltd. for the year ending 31 March, 2008:
- Stock turnover ratio = 6 times
  - Gross Profit ratio = 20% on sales
  - Sales for the year = ₹3,00,000
  - Opening creditors = 20,000
  - Closing creditors = ₹30,000
  - Trade debtors at the end = ₹60,000
  - Net working capital = ₹50,000
  - Closing stock is ₹10,000 more than the opening stock.

Find out :

- Average Stock
  - Purchases
  - Creditors Turnover Ratio
  - Average Payment Period.
10. 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

**Section - C**

11. "Responsibility accounting is an important device for control." Discuss.
12. Discuss the concept of Human Resource Accounting. Explain various methods for valuing human resource assets.

(3)

13. Following are the summarized balance sheets of X Ltd. As on 31st March, 2018 and 2019

Liabilities	2018 ₹	2019 ₹	Assets	2018 ₹	2019 ₹
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 (Long 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	-	4,000
			Goodwill	-	7,500
Total	2,65,200	2,60,400	Total	2,65,200	2,60,400

Other information:

- Dividend of ₹11,500 was paid.
  - 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.
  - Machinery was further purchased for ₹4,000.
  - Depreciation written off machinery ₹6,000.
  - Income Tax provided during the year ₹16,500.
  - Loss on sale of machinery ₹100 was written off to General Reserve.
- You are required to prepare a Cash Flow Statement.

14. Following are the balance sheets of Y Ltd. as on 31st December, 2018 and 2019

Liabilities	2018 ₹	2019 ₹	Assets	2018 ₹	2019 ₹
Share Capital	2,30,000	2,30,000	Machinery	52,000	70,000
General Reserve	60,000	60,000	Land & Building	1,50,000	1,50,000
Profit & Loss a/c	16,000	23,000	Temporary Investment	1,10,000	74,000
8% Debentures	90,000	70,000	Sundry Debtors	67,000	43,000
Depreciation Fund	40,000	44,000	Stock	82,000	1,06,000
Sundry Creditors	1,03,000	96,000	Prepaid Expenses	1,00,000	2,000
Outstanding Expenses	13,000	12,000	Cash & Bank		90,000
Total	5,52,000	5,35,000	Total	5,52,000	5,35,000

Additional information:

- 10% Dividend was paid in cash.
- New machinery for ₹30,000 was purchased but old machinery costing ₹12,000 was sold for ₹4,000, accumulated depreciation was ₹6,000.
- ₹20,000, 8% Debentures were redeemed by purchase from open market @96 for a debenture of ₹100.
- ₹36,000 Investment was sold at book value.

You are required to prepare a schedule of Changes in Working Capital and statement showing Sources and Application of Funds.