



SIXTH SEMESTER B.COM. (NEP) DEGREE EXAMINATION, JULY/AUGUST 2024
COMMERCE

Principles of Management Accounting (DSC – 3)

Time : 2 Hours]

[Max. Marks : 60

- Instructions :** 1) Answer *all* the questions subject to *internal* choice.
2) Only simple calculator is *allowed*.
3) Question No. 11 (Case study) is *compulsory*.

SECTION – A

Answer **any five** of the following :

(5×2=10)

1. a) Mention any two scope of Management accounting.
- b) Mention any two disadvantages of management accounting.
- c) Write two example of non-operating income.
- d) What is positive cash flow ?
- e) What is profitability ratio ?
- f) Calculate stock turn over ratio
Gross profit ratio 25%, sales Rs. 1,00,000
Opening stock Rs. 10,000 and closing stock Rs. 20,000.
- g) What is financial statement ?

SECTION – B

Answer **any four** of the following :

(4×5=20)

2. Briefly explain any five functions of management accounting.
3. From the following information ascertain debt turn over ratio and debt collection period :
Total sales Rs. 3,60,000
Cash sales Rs. 1,00,000

[P.T.O.]



Sales returns Rs. 20,000

Opening balance of debtors – Rs. 50,000

Closing balance of debtors – Rs. 25,000

Opening balance of bills receivable – Rs. 40,000

Closing balance of bills receivable – Rs. 5,000

4. Calculate fund from operation from the following information :

Profit as per Profit and Loss A/c – Rs. 80,000

Depreciation – Rs. 20,000

Profit on sale of building Rs. 25,000

Loss on sale of plant Rs. 10,000

Goodwill written off Rs. 5,000

Patents written off Rs. 13,000

Discount on issue of share Rs. 17,000

5. Calculate cash from operating activities from following information :

Net income for the year ending 31-3-24 Rs. 2,00,000

Depreciation Rs. 50,000

Goodwill written off Rs. 20,000

Profit on sale of Land Rs. 20,000

Increase in debtors Rs. 30,000

Increase in bills payable Rs. 10,000



6. From the following data prepare income statement and find out increase or decrease in amount.

Particulars	2023	2024
	Rs.	Rs.
Sales	1,30,000	1,50,000
Cost of sales	85,000	1,00,000
Gross profit	45,000	50,000
<u>Operating expenses</u>		
Selling and distribution expenses	12,000	15,000
General expenses	5,000	8,000
Total operating expenses	17,000	23,000
Net profit during the year	28,000	27,000

SECTION – C

Answer any three. Question No. 11 is compulsory (case study) : (3×10=30)

- 7. Discuss the difference between cost accounting and management accounting.
- 8. Prepare a fund flow statement of Nayak Ltd. from the following information for the year ended 2023 and 2024.

Particulars	2023	2024
	Rs.	Rs.
Liabilities		
Share capital	5,00,000	4,00,000
Reserve	1,00,000	1,50,000



Profit and Loss Account	50,000	60,000
Debentures	1,00,000	80,000
Creditors	10,000	20,000
Bills payable	30,000	10,000
Total	7,90,000	7,20,000

Assets

Land and Buildings	3,00,000	4,00,000
Plant and Machinery	2,00,000	1,80,000
Goodwill	1,00,000	50,000
Stock	70,000	80,000
Debtors	1,20,000	10,000
Total	7,90,000	7,20,000

Adjustment :

Tax paid during the year Rs. 50,000.

9. The following are the Balance Sheet of a concern as on 2023 and 2024 :

Particulars	Note No.	2023	2024
		Rs.	Rs.
I. Equity and Liabilities			
Share capital		5,00,000	6,00,000
Profit and Loss Account		80,000	70,000



Sundry creditors	1,10,000	1,20,000
Bills payable	90,000	70,000
Total Liabilities	7,80,000	8,60,000

II. Assets

Tangible fixed assets

Land and Buildings	3,00,000	3,80,000
Plant and machinery	2,00,000	1,80,000

Current Assets

Debtors	1,90,000	2,20,000
Cash in hand	90,000	80,000
Total Assets	7,80,000	8,60,000

Prepare a comparative Balance Sheet of the concern and comment on the financial position of the company.

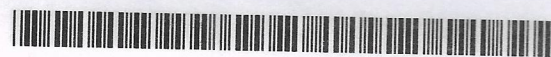
10. Following is the statement of assets and liabilities of Ram Ltd. as on 31-3-2023 and 31-3-2024 :

Particulars	Note No.	2023	2024
		Rs.	Rs.

I Equity and Liabilities

1) Share holder fund

Equity share capital	2,00,000	3,00,000
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2) <u>Reserve and surplus</u>		
General Reserve	20,000	50,000
Profit and Loss Account	80,000	1,00,000
3) <u>Current Liabilities</u>		
Bills payable	50,000	60,000
Total Liabilities	3,50,000	5,10,000
II Assets		
<u>Tangible fixed assets</u>		
Land and buildings	1,20,000	1,00,000
Plant and machinery	80,000	1,80,000
Intangible fixed Assets		
Good will	50,000	30,000
<u>Current Assets</u>		
Trade receivable (Debtors)	70,000	1,50,000
Cash in hand	30,000	50,000
Total Assets	3,50,000	5,10,000

Additional information :

- 1) Depreciation on Land and Building Rs. 5,000
- 2) Tax paid during the year Rs. 50,000.

Prepare cash flow statement in accordance with the Indian Accounting Standard (IAS) – 7.



11. Case study (**Compulsory** question).

You are given below the following figures.

Current Ratio 2.5

Liquid Ratio 1.5

Net working capital Rs. 3,00,000

Cash sales Rs. 8,00,000

Credit sale Rs. 2,00,000

Gross profit 20% on sales

From the above details find out

- a) Current Assets
- b) Current Liabilities
- c) Liquid assets
- d) Stock
- e) Stock turn over ratio.
