

ST. ALOYSIUS' COLLEGE EDATHUA

B.Com. Finance and Taxation – Model-1

MODEL EXAMINATION MAY 2021

SEMESTER VI

MANAGEMENT ACCOUNTING

Time: 3 hours

Maximum Marks: 80

Section A

Answer 10 questions, each carries 2 mark

1. What is working capital?
2. What is cash flow statement?
3. What is cash from operation?
4. Explain the term EPS?
5. What are the sources of cash inflow?
6. What do you mean by P/E ratio?
7. What are the leverage ratios?
8. What is the nature of financial statement?
9. What is meant by common size statement?
10. Mention some objectives of Management Accounting.
11. What is meant by Debt –equity ratio?
12. What are current assets?

Section B

Answer 6 questions, each carries 5 mark

13. Explain the importance of analysis and interpretation of financial statements.
14. What are solvency ratios? State its uses.
15. What are the functions of management accounting?
16. How does the statement of cash flows differ from the fund flow statement?
17. What is dividend yield ratio? How to calculate? State its uses.
18. From the following information ,calculate gross profit ratio, operating ratio, operating profit ratio and current ratio:

Cash in hand	20,000
Debtors	20,000
Creditors	10,000
Gross profit	2,01,000
Net sales	5,60,000
Net profit	80,000
Cost of goods sold	3,59,000
Operating expenses	1,09,000

19. From the following figures calculate the trend percentage and interpret them by taking 2009 as base:

(in lakhs of rupees)

Year	2009	2010	2011	2012	2013
Sales	1881	2340	2655	3021	3768
Stock	709	781	816	944	1154
Pofit before tax	321	435	458	527	672

20. From the following ,calculate funds from operation;

Particulars	Rs.	Particulars	Rs.
Expenses	3,00,000	Gross profit	45,000
Depreciation	70,000	Gain of sale of land	60,000
Discount	200		
Goodwill	20,000		
Loss on sale of machine	4000		
Net profit	1,15,800		
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	<u>5,10,000</u>		<u>5,10,000.</u>

21. From the following Balance Sheet ,prepare a schedule of changes in working capital:

Liabilities	2012	2013	Assets	2012	2013
share capital	3,00,000	3,75,000	machinery	70,000	1,00,000
Creditors	1,06,000	70,000	Cash	48,000	70,000
Profit and Loss A/c	14,000	31,000	Debtors	1,81,000	1,70,000
			Stock	1,21,000	1,36,000
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	4,20,000	4,76,000		4,20,000	4,76,000
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Section c

Answer 2questions, each carries15 mark

22. From the following details make out the balance sheet as many details as possible:

Stock velocity	6
Capital turnover ratio	2
Fixed asset turnover ratio	4
Gross profit Turnover ratio	20%
Debtors velocity	2 months
Creditors velocity	73 days

The gross profit was Rs.60,000.Reserve and surplus amounts to Rs.20,000.Closing stock was Rs.5,000 in excess of opening stock.

23. From the following Balance sheet of Amco cables company Ltd, you are required to prepare a fund flow statement

BALANCE SHEET

Liabilities	2013	2014	Assets	2013	2014
Capital	70,000	74000	Cash	9000	7800
Debentures	12000	6000	Debtors	14900	17700
Trade creditors	10360	11840	Stock	49200	42700
Reserve for bad debts	700	800	Building	20000	30000
Profit and Loss A/c	10040	10560	Goodwill	10000	5000
	<u>103100</u>	<u>103200</u>		-----	-----
	=====	=====		103100	103200
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24. What is Management accounting and what are its objective?

25. The balance sheets of Venu paper Ltd. as on 31st March 2017 and 2018 are given below:

Liabilities	2017	2018	Assets	2017	2018
Capital	70,000	74000	Cash	9000	7800
Debentures	12000	6000	Debtors	14900	17700
Trade creditors	10360	11840	Stock	49200	42700
Reserve for bad debts	700	800	Building	20000	30000
Profit and Loss A/c	10040	10560	Goodwill	10000	5000
	<u>103100</u>	<u>103200</u>		-----	-----
	=====	=====		103100	103200
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In addition you are given :

- (i) Dividend paid Rs.3500
- (ii) Land was purchased for Rs.10,000
- (iii) Amount provided for amortization of Good will Rs.5,000

Prepare Cash flow statement