STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2023-2024)

B.Com. DEGREE EXAMINATION NOVEMBER 2024
COMMERCE
THIRD SEMESTER

COURSE   :   MAJOR CORE
PAPER   :   MANAGEMENT ACCOUNTING
SUBJECT CODE   :   23CM/MC/MA34
TIME   :   3 HOURS   MAX. MARKS: 100

Q. No.	SECTION A (5 x 2 = 10) ANSWER ALL THE QUESTIONS	CO	KL
1.	State any two differences between management accounting and financial accounting.	CO 1	K1
2.	List the various tools and techniques used in management accounting system.	CO 1	K1
3.	What are the objectives of financial statement analysis and interpretation?	CO 1	K1
4.	What is zero based budgeting?	CO 1	K1
5.	Define marginal cost.	CO 1	K1
Q. No.	SECTION B (5 x 2 = 10) ANSWER ALL THE QUESTIONS	CO	KL
6.	From the following particulars, find out the B.E.P. in units and value: Variable cost ₹ 75, Selling price per unit ₹ 100, Fixed expenses ₹ 2,70,000.	CO 2	K2
7.	If Repairs is ₹ 3,000 (20% variable) at 60 % capacity. What will the value of repairs be at 50% and 70% capacity levels?	CO 2	K2
8.	Find operating ratio and operating profit ratio from the following: Cost of goods sold ₹ 1,80,000, other operating expenses ₹ 30,000, net sales ₹ 3,00,000.	CO 2	K2
9.	Calculate EPS from the following data: Net profit after tax ₹2,00,000, 10% preference share capital (₹ 10 each) ₹4,00,000, Equity share capital (₹ 10 each) ₹ 4,00,000	CO 2	K2
10.	From the following data calculate material usage variance: Standard 20 kg at ₹ 5.50 per kg Actual 25kg at ₹ 6 per kg.	CO 2	K2
Q. No.	SECTION C (2 x 10 = 20) ANSWER ANY TWO QUESTIONS	CO	KL
11.	The following information relates to the manufacturing process of a company. Calculate labour variances: Standard hours: 5,000 Standard wage: ₹ 4 per hour Actual hours: 6,000 Actual wage rate: ₹3.50 per hour Time lost on account of machine break down : 300 hrs.	CO 3	K3

12.	The sales turnover and profit during two years were as follows:	CO 3	K3

The sales turnover and profit during two years were as follows:

Year	Sales	Profit
2017	1,40,000	15,000
2018	1,60,000	20,000

Calculate:
a) P/V ratio
b) Break-even point
c) Sales required to earn a profit of ₹ 40,000
d) Fixed expenses
e) Profit when sales are ₹ 1,20,000

13.	From the following particulars extracted from the financial statement of a company compute: (a) current ratio, (b) liquid ratio (c) inventory turnover ratio (d) Debtors turnover ratio (e) Creditors turnover ratio.	CO 3	K3

Particulars	₹	Particulars	₹
Opening Stock	47,000	Sundry Debtors	42,000
Closing Stock	53,000	Cash	10,000
Sales less return	2,52,000	Bank	8,000
Provision for bad debts	2,000	Bills Receivable	15,000
Sundry Creditors	32,000	Provision for taxation	15,000
Loose tools	4,000	Bills Payable	29,000
Purchases	1,80,000	Marketable securities	8,000

Q. No.	SECTION D (2 x 10 = 20) ANSWER ANY TWO QUESTIONS	CO	KL
14.	Prepare a comparative income statement and balance sheet from the following:	CO 4	K4

Profit and loss Account

Particulars	2003	2004	Particulars	2003	2004
To cost of goods sold	6,000	7,500	By Sales	8,000	10,000
To operating expenses					
Administrative	200	200			
Selling	300	400			
Interest	500	400			
To net profit	1,000	1,500			
Total	8,000	10,000	Total	8,000	10,000

Balance Sheet

Liabilities	2003	2004	Assets	2003	2004
Bills payable	500	750	Cash	1,000	1,400
Tax payable	1,000	1,500	Debtors	2,000	3,000
Creditors	1,500	2,000	Stock	2,000	3,000
6% debentures	1,000	1,500	Land	1,000	1,000
10% preference	3,000	3,000	Building	3,000	2,700
Equity capital	4,000	4,000	Plant	3,000	2,700
Reserves	2,000	2,450	Investment	1,000	1,400
Total	13,000	15,200	Total	13,000	15,200

15.	The monthly budgets for manufacturing overhead of a concern for two levels of activity were as follows:	CO 4	K4

Capacity	60%	100%
Budgeted production (units)	600	1,000
Wages	1,200	2,000
Consumable stores	900	1,500
Maintenance	1,100	1,500
Power and fuel	1,600	2,000
Depreciation	4,000	4,000
Insurance	1,000	1,000
	9,800	**12,000**

You are required to:
a) Indicate which of the items are fixed variable and semi variable
b) Prepare a budget and find the cost per unit of output at 60%, 80% and 100% showing the fixed and variable component per unit.

16.	From the following particulars, calculate sales variances:	CO 4	K4

Product	Budgeted Sales		Actual Sales	
	Quantity (units)	Price	Quantity (units)	Price
A	1,000	20	1,300	21
B	2,000	15	2,300	14
TOTAL	3,000		3,600	

Q. No.	**SECTION E** (2 x 20 = 40) **ANSWER ANY TWO QUESTIONS**	**CO**	**KL**
17.	The following set of information is presented to you by AB Ltd. producing two products X and Y:	CO 5	K5

X   Y

Direct materials per unit   ₹20   ₹18
Direct wages per unit   6   4

Variable overhead is allocated to products at the rate of 100% direct wages.
Fixed overheads during the period is expected to be ₹ 1,600
Sales price X ₹ 40; Y ₹ 30
Proposed sales mix are:
a) 100 units of X and 200 units of Y
b) 150 units of X and 150 units of Y
c) 200 units of X and 100 units of Y
You are required to present the following:
i)   The unit marginal cost and unit contribution
ii)   The total contribution and the resultant profit from each of the above sales mix
iii)   The proposed sales mix to earn a profit of ₹ 300 with the total sales of X and Y being 300 units.

18.	Prepare a monthly cash budget for six months starting from April on the basis of the following information: Estimated monthly sales:	CO 5	K5

Estimated monthly sales:

Jan	Feb	March	April	May
1,00,000	1,20,000	1,40,000	80,000	60,000
June	July	Aug	Sept	Oct
80,000	1,00,000	80,000	60,000	1,00,000

Wages and salaries are estimated to be paid as follows:

April	May	June	July	Aug	Sept
9,000	8,000	10,000	10,000	9,000	9,000

a) Of the sales, 80% is on credit and 20% for cash.
b) 75% of the credit sales are collected in the month following sale and the balance in the next month that follows.
c) Purchases amounted to 80% of sales and paid for in the month preceding the sales.
d) The firm has 10% debentures of ₹ 1,20,000. Interest on these has to be paid quarterly in Jan, April and so on.
e) The firm is to make an advance payment of tax of ₹ 5,000 in July.
f) The firm had a cash balance of ₹ 20,000 on April, which is the minimum desirable balance. Any surplus or deficit above or below ₹ 20,000 is made up by temporary investments or borrowings at the end of each month. Ignore interest.

19.	From the following particulars relating to ABC Ltd prepare a balance sheet.	CO 5	K5

Sales/total assets 3
Sales/fixed assets 5
Sales/current assets 7.5
Sales/ inventories 20
Sales/debtors 15
Current ratio 2
Total assets/net worth 2.5
Debt/equity 1

20.	The standard material input required for 1,000 kgs. Of a finished product are given below:	CO 5	K5

Material	Quantity (in kgs)	Standard rate per kg
P	450	20
Q	400	40
R	250	60
Total	1,100	
Standard loss	(100)	
Standard output	1,000	

Actual production in a period was 20,000 kgs of the finished product for which the actual quantities of material used and the prices paid thereof as under:

Material	Quantity (in kgs)	Standard rate per kg
P	10,000	19
Q	8,500	42
R	4,500	65
Total	23,000	
Actual loss	(3,000)	
Actual output	20,000	

Calculate material cost, price, usage, mix and yield variance.

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