STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 600 086.
(For candidates admitted during the academic year 2015-2016 and thereafter)

SUBJECT CODE: 15CM/MC/MA34

B.Com./B.Com.(C.S) DEGREE EXAMINATION NOVEMBER 2018
COMMERCE
CORPORATE SECRETARYSHIP
THIRD SEMESTER

COURSE	**:**	**MAJOR CORE**	
PAPER	**:**	**MANAGEMENT ACCOUNTING**	
TIME	**:**	**3 HOURS**	**MAX. MARKS: 100**

SECTION - A

Answer ALL questions: **(10x2=20)**

1. Define Management Accounting.
2. What is meant by Vertical Analysis?
3. Write a short note on 'Trend Analysis'.
4. What is 'Budgetary Control?
5. What is Marginal costing?
6. Calculate Stock Turnover Ratio from the following data:

	Rs.
Opening stock	29,000
Closing stock	31,000
Purchases	2,40,000

7. Find out the Estimated Production for the quarter ending 31st December 2018

	Units
Budgeted sales for the quarter	40,000
Stock on 1st October 2018	8,000
Required stock on 31st December 2018	10,000

8. Find out the profit or loss from the following:
Sales Rs.2,00,000
P/V ratio = 40%
Fixed cost Rs.1,00,000

9. What is the sales to be made to earn a profit of Rs.10,000 when the Fixed Cost is Rs.20,000 and P/V ratio is 30%?

10. From the following information, calculate the Sales Volume Variance:
Budgeted Quantity = 10,000 units
Actual Quantity = 9,000 units
Standard Price = Rs.8 per unit

SECTION – B

Answer any FIVE questions: **(5x8=40)**

11. Bring out the limitations of Management Accounting
12. What are the advantages of Budgetary Control?
13. The following are the extracts from the income statements of Natarajan Limited for the years ending 31st December 2016 and 2017.

Particulars	2016 Rs.	2017 Rs.
Sales	10,00,000	12,00,000
Cost of goods sold	5,50,000	6,05,000
Operating expenses:		
Administration	80,000	1,00,000
Selling	60,000	80,000
Non-operating expenses:		
Interest	40,000	50,000
Income-tax	50,000	80,000

You are required to prepare a comparative income statement.

14. Following is the Profit and Loss Account of a company for the year ending 31st Dec.2017

	Rs.		Rs.
To Opening stock	1,00,000	By Sales	5,60,000
To Purchases	3,50,000	By Closing Stock	1,00,000
To Wages	9,000		
To Gross profit c/d	2,01,000		
	6,60,000		6,60,000
To Administrative expenses	20,000	By Gross profit	2,01,000
To Selling expenses	89,000	By Interest on investments	10,000
To Non-operating expenses	30,000	By Profit on sale of investments	8,000
To Net Profit	80,000		
	2,19,000		2,19,000

Calculate:
(a) Gross profit ratio
(b) Net profit ratio
(c) Operating ratio
(d) Operating profit ratio

15. From the following information, prepare a Cash Budget for three months from April to June indicating the extent of bank facilities the company will require at the end of each month:

	Sales Rs.	Purchases Rs.	Wages Rs.
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

Additional information:
(a) Customers are allowed a credit period of 2 months.
(b) Creditors are paid in the month following the month of purchase.
(c) Wages are paid on the 1st of next month.
(d) Cash at Bank on 1st April Rs.25,000.

16. From the following data relating to Antony Company Limited:

Year	Sales Rs.	Profit Rs.
2016	2,00,000	20,000
2017	3,00,000	40,000

You are requires to calculate the:
(a) P/V Ratio
(b) Fixed Cost
(c) Break Even Sales
(d) Profit when sales are Rs.5,00,000.

17. The following data are gathered from the records of a Company:
Standard Rate of wages per hour = Rs.10
Standard Hours = 300
Actual Rate of wages per hour = Rs. 12
Actual Hours = 200
You are required to Calculate:
(a) Labour Cost Variance
(b) Labour Rate Variance
(c) Labour Efficiency Variance

SECTION – C

Answer any TWO questions: (2x20=40)

18. The following information relates to Alfina Limited for the year ending 31st March 2018:

	Rs.		Rs.
5,000 Equity Shares of Rs.10 each	50,000	Net Profit After Tax	1,00,000
10% Preference Share capital	1,00,000	Dividend paid	50,000
Reserves & Surplus	2,50,000	Market price per share	20

Calculate:

a	Return on Equity shareholders' funds	**e**	Retained Earnings Ratio
b	Earnings Per Share	**f**	Proprietary Ratio
c	Dividend Per Share	**g**	Dividend Yield Ratio
d	Dividend Pay Out Ratio	**h**	Price Earnings Ratio

19. Prepare a Flexible Budget for Overheads on the basis of the following data. Ascertain Overhead Rates at 50%, 60% and 70% Capacity.

	At 60% Capacity Rs.
Variable Overheads:	
Indirect Material	6,000
Indirect Labour	18,000
Semi-Variable Overheads:	
Electricity(40% Fixed)	30,000
Repairs (80% Fixed)	3,000
Fixed Overheads:	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total Overheads	93,000
Estimated direct Labour Hours	1,86,000

20. The management of Robert Company Limited is considering the sales budget for the next period. You are required to present to the management a statement showing:
    (i) The marginal cost of each product, and
    (ii) To recommend which of the following sales mixes should be adopted:
        (a) 1,800 units of X
        (b) 1,200 units of Y
        (c) 1,200 units of X and 400 units of Y
        (d) 900 units of X and 600 units of Y

    The chief accountant has ascertained the following information:

	Product **X** Rs.	Product **Y** Rs.
Direct Material	10	12.50
Selling Price	30	50
Direct Labour at 25 paise per hour	20 Hours	30 hours

Variable Overheads: 100% of Labour
Fixed Overheads: Rs.10,000

21. From the following data, calculate:
    (a) Material Cost Variance
    (b) Material Price Variance
    (c) Material Usage Variance
    (d) Material Mix Variance

Material	Standard		Actual	
	Units	Price Rs.	Units	Price Rs.
A	8,000	105	7,500	120
B	3,000	215	3,300	230
C	2,000	330	2,400	350

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