

Register Number:

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**ST. JOSEPH’S COLLEGE (AUTONOMOUS), BANGALORE-27**

**BCOM - VI SEMESTER**

**SEMESTER EXAMINATION: APRIL 2022**

**(Examination conducted in July – August 2022)**

**BC / BPS 6118 – Management Accounting**

**Time- 2 1/2 hrs Max Marks-70**

**This paper contains 3 printed pages and four parts**

**SECTION A**

**Answer any FIVE of the following questions. Each question carries two marks each ( 5x 2 = 10)**

1. What is meant by budgetary control? Give any two classification of budgets.
2. Under what heads of the Cash Flow Statement would you classify the following items:

a Dividend received

b Dividend paid

1. Calculate Net profit Ratio from the below information-

Gross Profit – Rs 1,26,000

Net Profit – Rs 60,000

Sales – Rs 9,00,000

Capital Employed – Rs 5,10,000

1. Mention any two distinctions between Management Accounting and Financial Accounting.
2. What is the purpose of fund flow statement?
3. State any two principles of good reporting.

**SECTION B**

**Answer any THREE of the following questions. Each question carries five marks each ( 3x5 = 15)**

1. The balance Sheet of Chris and Co Ltd for the year 2019 and 2020 are given below :-

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **LIABILITIES** | **31-12-2019** | **31-12-2020** | **ASSETS** | **31-12-2019** | **31-12-2020** |
| Equity share capital | 4,00,000 | 6,00,000 | Building | 3,60,000 | 5,40,000 |
| 12% Debentures | 2,00,000 | 3,25,000 | Machinery | 1,00,000 | 2,00,000 |
| Creditors | 2,55,000 | 1,17,000 | Short term - Investment | 2,70,000 | 1,70,000 |
| Bank overdraft | 7,000 | 10,000 | Sundry Debtors | 1,00,000 | 88,000 |
|  |  |  | Cash at bank | 32,000 | 54,000 |
| **Total** | **8,62,000** | **10,52,000** | **Total** | **8,62,000** | **10,52,000** |

You are required to prepare a comparative Balance Sheet.

1. Briefly explain the objectives of management accounting.
2. State with reasons whether the following transactions will result in flow of funds: -
3. Cash collected from debtors
4. Redemption of debentures
5. Purchase of fixed assets in exchange of shares
6. Bills payable accepted and issued to creditors
7. Issue of shares against purchase of stock in trade
8. Prepare a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70% plant capacity.

|  |  |
| --- | --- |
| Particulars | At 80% capacity |
| **Variable overheads:**  Indirect labour  Stores including spares | 12,000  4,000 |
| **Semi-variable overhead:**  Power (30% fixed and 70% variable)  Repairs (60% fixed and 40% variable) | 20,000  2,000 |
| **Fixed overheads:**  Depreciation  Insurance  Salaries | 11,000  3,000  10,000 |
| Estimated direct labour hours | 1,24,000 hours |

**SECTION C**

**Answer any TWO of the following questions. Each question carries fifteen marks each ( 2x15 = 30)**

1. The following details of Zinc Co Ltd are given below. Prepare a balance sheet using the following data

|  |  |
| --- | --- |
| Gross Profit (20% of sales) | Rs 60,000 |
| Share capital | Rs 50,000 |
| Credit Sales to total sales | 80% |
| Total assets turnover (on sales) | 3 times |
| Closing stock turnover (to cost of sales) | 8 times |
| Average collection period (for 360 days) | 18 days |
| Current Ratio | 1.6 |
| Long term Debt to Equity share capital | 40% |
| Current Liabilities | 30,000 |
| Fixed assets | 52,000 |

1. The following are the balance sheet of Silver ltd as on 31/12/18 and 31/12/19:

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **LIABILITIES** | **31-12-2018** | **31-12-2019** | **ASSETS** | **31-12-2018** | **31-12-2019** |
| Equity shares | 1,10,000 | 1,30,000 | Buildings | 60,000 | 50,000 |
| Preference shares | - | 20,000 | Plant and Machinery | 30,000 | 50,000 |
| General Reserve | 4,000 | 4,000 | Sundry Debtors | 30,000 | 38,000 |
| P/L A/c | 2,000 | 2,400 | Stock | 70,000 | 80,000 |
| 9% debentures | 12,000 | 14,000 | Bank | 2,400 | 7,000 |
| Provision for tax | 6,000 | 8,400 | Cash | 600 | 1,000 |
| Proposed dividend | 10,000 | 11,600 |  |  |  |
| Current Liabilities | 49,000 | 35,600 |  |  |  |
| **Total** | **1,93,000** | **2,26,000** | **Total** | **1,93,000** | **2,26,000** |

Prepare the schedule of changes and fund flow statement.

1. Define management Reporting. Enumerate the classification of reports prepared for the management.

**SECTION D**

**Answer the following complusory question. The question carries fifteen marks ( 1x15 = 15)**

1. Following are the summarised balance sheet of ESS GEE Ltd for the year ending 2019 and 2020.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **LIABILITIES** | **2019** | **2020** | **ASSETS** | **2019** | **2020** |
| Share capital | 1,00,000 | 1,30,000 | Buildings | 1,00,000 | 95,000 |
| General Reserve | 25,000 | 30,000 | Plant and Machinery | 75,000 | 84,500 |
| P/L A/c | 15,200 | 15,400 | Sundry Debtors | 40,000 | 32,100 |
| Bank Loan(long term) | 35,000 | - | Stock | 50,000 | 37,000 |
| Sundry Creditors | 75,000 | 67,500 | Bank | - | 4,000 |
| Provision for tax | 15,000 | 17,500 | Cash | 200 | 300 |
|  |  |  | Goodwill | - | 7,500 |
|  |  |  |  |  |  |
| **Total** | **2,65,200** | **2,60,400** | **Total** | **2,65,200** | **2,60,400** |

*Additional information:*

1. Dividend of Rs 11,500 was paid.
2. Assets of another company were purchased for a consideration of Rs 30,000 payable in shares. The following assets were purchased: Stock Rs 10,000 and machinery Rs 12,500.
3. Machinery further purchased for Rs 4,000.
4. Depreciation written off machinery Rs 6,000.
5. Income tax provision during the year Rs 16,500.
6. Loss on sale of machinery Rs 100 was written off to General reserve.

**You are required to prepare a cash flow statement for the year ended 2020.**

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