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SUBJECT CODE NO:- 3044
FACULTY OF COMMERCE AND MANAGEMENT
B.Com T.Y Sem. V
Examination March/April-2022 (To Be Held In June/July-2022)
Management Accounting - I

[Time: 3:45 Hours]

[Max. Marks: 80]

Please check whether you have got the right question paper.

N.B

1. Q. No. 1 is compulsory.
2. Solve any four (04) question from 2 to 7

Q.1 Multiple choice questions.

05

- 1) The purpose of management accounting is to _____
 - a. Help banks make decision.
 - b. Past orientation
 - c. Help investors make decision
 - d. Help managers make decision
- 2) The statement of cash flow claifies cash how's accounting to _____
 - a. Operating, Investing and financial activities
 - b. Inverting and Non-operating flows
 - c. Inflow and outflow
 - d. All of the above
- 3) Given sales is 1,20,000 and Gross profit is 30,000 the gross profit ratio is _____
 - a. 24%
 - b. 25%
 - c. 40%
 - d. 44%
- 4) Following are current assets.
 - a. Furniture
 - b. Building
 - c. Both
 - d. Cash at bank
- 5) The basic financial statements include _____
 - a. Statement of cash flows
 - b. Statement of retained earnings
 - c. Balance sheet and income statement
 - d. All of the above

B) answer in one sentence

05

1. What is the formula of inventory ratio?
2. What is the primary goal of financial statement?

3. What is the formula of liquid ratio?
4. What is the importance of fund flow statement?
5. What is mean by changes in working capital?

C) Fill in the Blank

05

1. When fixed assets are bought on hire purchase, the interest element is classified under _____ and the loan elements is classified under _____
2. Cross Profit ratio = _____
3. Which statement is prepared in the process of funds flow analysis _____
4. The statement of cash flow claiefies cash flows according to _____
5. Inventory Ratio = _____

D) True or False questions.

05

1. When financial statement of several years are analyzed. It is termed as vertical analysis.
2. Ratio analysis is helpful in financial planning and forecasting
3. Balance sheet show financial positions of a company.
4. Financial activities bring changes in size and composition of owner's equities and borrowings of the enterprise.
5. Fund flow statements is prepared on an accrual basis

Q.2 Difference between management account and financial account? Explain the scope of management Account? 15

Q.3 Manisha company Limited has giving trading and profit and loss account, as on 31 March 2021. 15

Trading and Profit and loss account.

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Particles	Amount	Particles	Amount
To opening stock	2,00,000	By sales	3,00,000
To purchase	80,000	By closing stock	1,40,000
To wages	48,000		
To gross Profit	1,12,000		
Total	<u>4,40,000</u>	Total	<u>4,40,000</u>
To sales & Distribution expenses	11,500	By Gross Profit	1,12,000
To administration exp.	10,000	By Profit sales of land	7,000
To General exp.	9000		
To Net Profit	88,500		
Total	<u>1,19,000</u>	Total	<u>1,19,000</u>

You are required to calculate.

- 1) Operating ratio
- 2) Inventory ratio
- 3) Gross profit ratio
- 4) Net profit ratio

Q.4 From the following balance sheet of Kimaya company Limited as on 31-12-2020 and 31-12-2021 15
Balance Sheet

Liabilities	2020 (Rs)	2021 (Rs)	Assets	2020 (Rs)	2021 (Rs)
Share capital	3,00,000	4,00,000	Plant & Machinery	1,07,000	2,00,000
General reserve	10,000	20,000	Stock	50,000	1,60,000
Profit & loss A/c	50,000	70,000	Debtors	1,10,000	2,10,000
Debenture	70,000	80,000	Cash	3,00,000	1,00,000
Creditors	90,000	60,000	Good will	92,000	91,000
Bills payable	45,000	47,000			
Provision for Taxation	94,000	84,000			
Total	6,59,000	7,61,000	Total	6,59,000	7,61,000

• Additional information :-

- 1) During the year a plant and machinery costing of Rs. 1,40,000 (accumulated Dep : on machinery of Rs. 40,000) and was sold of Rs. 1,09,000
- 2) Provision for taxation of Rs. 50,000
- 3) Dividend paid for Rs. 14,500.

You are required to calculate

- Fund flow statement
- Changes in working capital

Q.5 From the following balance sheet of Kimaya company Limited as on 31-12-2020 and 31-12-2021 15
Balance Sheet

Liabilities	2020 (Rs)	2021 (Rs)	Assets	2020 (Rs)	2021 (Rs)
Bank overdraft	10,000	-	Cash	5000	6,000
Sundry creditors	2,00,000	1,50,000	Bank	-	90,000
Provision for tax	40,000	35,000	Debtors	1,20,000	13,000
Mortgage loan	80,000	-	Stock	1,40,000	1,00,000
Profit and loss A/c	50,000	60,000	Good will	1,00,000	1,00,000
General reserve	30,000	45,000	Land & Building	2,20,000	2,10,000
Share capital	3,00,000	3,50,000	Plant & Machinery	1,25,000	1,21,000
Total	7,10,000	6,40,000	Total	7,10,000	6,40,000

• Additional information:

- 1) Assets of another company were purchased by issuing share, share issued for Rs. 50,000 and assets consisted of stock Rs. 30,000 and plant & Machinery 15000.
- 2) Dividend paid of Rs. 41,000
- 3) Provision for taxation by made of Rs. 17000
- 4) Dep. Charged on plant and machinery 8000
- 5) New machinery was purchased for Rs. 9000
- 6) Loss on sales on machinery for Rs. 400 was

Written off to general Reserve.

- You are required to calculate
- Cash flow statement

Q.6 From the following comparative balance sheet of Manisha company Limited as on 31-12-2019 and 31-12-2020 15

Balance Sheet
31-12-2019 and 31-12-2020

Liabilities	2020 (Rs)	2021 (Rs)	Assets	2020 (Rs)	2021 (Rs)
Bank old	15000	-	Cash	45,000	60,000
Sundry creditors	2,20,000	2,00,000	Bank	-	70,000
Provision for Texting	1,00,000	90,000	Debtors	1,75,000	1,70,000
Mortgage loan	75,000	-	Stock	2,10,000	1,95,000
Profit & loss A/c	95,000	1,00,000	Good will	90,000	90,000
General reserve	97,000	1,20,000	Land & Building	1,60,000	1,10,000
Share capital	1,60,000	2,00,000	Plant & Machinery	82,000	15,000
Total	7,62,000	7,10,000	Total	7,62,000	7,10,000

*Additional information:-

1. dividend paid was Rs. 11000
2. provision for taxation made by for Rs. 41,000
3. loss on sales of machinery of Rs. 1000 was written off to general reserve
4. Assets of another company were purchased by issuing shares. Share issued for Rs. 40,000 and assets consisted of Rs. Stock 14,000 and Plant & machinery for Rs. 20,000
5. New machinery was purchased for Rs. 80,000
6. Dep. On plant and Machinery for Rs. 70000

You are required to calculate
Cash flow statement.

Q.7 Write short notes (any three)

- 1) Importance management
- 2) Scope of financial statement
- 3) Tools of financial statement analysis
- 4) Functions of management
- 5) Concepts of financial statement.

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