140102

I Semester M.B.A. (Day & Evening) Degree Examination, April/May - 2026

MANAGEMENT

Managerial Accounting

(CBCS Scheme, 2025)

Paper : 1.2

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Time : 3 Hours Maximum Marks : 70

SECTION - A

Answer any Five of the following questions. Each question carries 5 marks.(5×5=25)

1. Explain the role of Accounting information in Strategic decision making.

2. Describe the role of forensic accounting in fraud detection.

3. P Ltd., which depreciates its machinery @10% p.a on written down value desires to change the basis to straight line method, the rate remaining the same. The decision is taken on 31st December, 2024 to be effective from 1st January, 2022. On 1st January, 2024 the balance in the Machinery Account is Rs.29,16,000. On 1st July, 2024 a part of machinery purchased on 1st January, 2022 for Rs.2,40,000 was sold for Rs.1,35,000. On the same date a new machine is purchased for Rs.4,50,000 and installed at a cost of Rs.24,000. Prepare Machinery Account for 2024.

4. Assuming that the cost structure and selling price remain the same in periods I and II, find out : (a) Profit-Volume-ratio; (b) Fixed Cost; (c) Break-Even-point for Sales; (d) Profit when sales are of Rs.2,00,000; (e) Sales required to earn a Profit of Rs.40,000; and (f) Margin of Safety at a profit of Rs.35,000.

Period	Sales(Rs.)	Profit (Rs.)
I	1,60,000	24,000
II	1,80,000	26,000

5. Mr.Amir has the following transactions. Show the effect of these transactions on assets, liabilities and capital:

i)	Amir Commenced business with Cash	Rs.50,000
ii)	He purchased goods from Raj	Rs.9,000
iii)	Purchased Furniture for Cash	Rs.4,000
iv)	He sold goods for cash (Costing Rs.3,000)	Rs.6,000

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v)	Paid Salaries	Rs.3,000
vi)	Sold goods to Krishna on credit (Costing Rs.1,000) for	Rs.2,500
vii)	Received Cash from Krishna	Rs.2,500
viii)	Withdrew cash for Private use	Rs.1,500
ix)	Received Rent	Rs.3,000
x)	Purchased goods from Ravi for Cash	Rs.1,000

6. From the Information given below prepare flexiable budget at 60 and 80 per cent capacities, and fix the total overhead rates as per on direct wages at these capacities.

	At 75% capacity (Rs.)
Variable Overheads:	
Indirect Materials	7,500
Indirect Labour	22,500
Semi-Variable overheads	
Electricity(40% Fixed, 60% Variable)	37,500
Repairs and maintenance:	
(80% Fixed, 20% Variable)	3,750
Fixed overheads:	
Salaries	1,00,000
Insurance	5,000
Depreciation	25,000

Estimated direct wages, Rs.40,250 at 75% Capacity.

7. Explain the need and importance of accounting concepts to an accounts manager for managerial decisions.

SECTION - B

Answer any Three of the Following questions. Each question carries 10 marks.
(3×10=30)

8. Evaluate human resources accounting as a tool for strategic HR management.

9. From the following information prepare the balance sheet of Moonlight as on 31-5-2025.

Fixed Asset: Rs.7 Lakhs; Working Capital : Rs.5 Lakhs; Current Ratio: 2, fixed asset to turnover: 4; Gross profit: 25%; Debtors Velocity:1.5 months; creditors velocity: 2 months, stock velocity: 2 months; net profit : 5% of turnover; Reserves: 2/3 of net profits and capital gearing: 1:1

10. The following are the summarized balance sheet of Murali Ltd., as on 31st March 2024 and 2025 are given below:

Particulars	31st March 2024(Rs.)	31st March 2025(Rs.)
Liabilities		
Equity Share Capital	1,00,000	1,30,000
General Reserve	15,000	18,000

Profit and Loss A/C	17,500	18,000
Bank Loan (Long Term)	30,000	--
Creditors	70,000	61,500
Provision for taxation	13,000	15,000
Total	**2,45,500**	**2,42,500**
Assets		
Land and Building	90,000	85,000
Machinery	75,000	84,500
Stock	40,200	28,000
Debtors	40,000	33,000
Bank	--	4,500
Cash	300	400
Goodwill	--	7,100
Total	**2,45,500**	**2,42,500**

Additional information:

1) Dividend of Rs.8,500 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; machinery Rs.12,500
3) Machinery was further purchased for Rs.3,000.
4) Depreciation written off machinery Rs.4,000.
5) Income tax provided during the year Rs.10,500.
6) Loss of sale of machine Rs.200 was written off to General Reserve.

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You are required to prepare a Cash Flow Statement.

11. The Balance sheet of Excel Ltd. on March 31, 2025 is given below

Sources of Funds	**Amount (Rs.)**
1) Equity and Liabilities	
Shareholder's Fund	5,00,000
Reserves and surplus	2,07,425
	7,07,425
2) Current Liabilities	
Sundry Creditors	78,000
Short term Provisions	1,34,275
Total of Equity and Liabilities	**9,19,700**

Application of Funds	**Amount(Rs)**
Non current Assets	
1) Fixed Assets	
Tangible assets	5,80,500
Intangible Assets	29,000
Total Fixed Assets	**6,09,500**

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2) Current Assets

Inventories	57,000
Current Investment	24,000
Trade Receivables	93,000
Cash and Cash Equivalent	20,000
Short term Loans and advances	1,16,200
Total Current Assets	3,10,200
Total of all Assets	**9,19,700**

Being a financial expert Interpret the financial Position of the company and suggest for any financial downturn by reading the above B/S

SECTION - C

(1×15=15)

12. Following is the trial balance of XYZ.Co.Ltd., as at 31st March, 2025

Stock 31st March, 2024	80,000	--
Sales	--	4,19,000
Purchases	2,80,000	--
Wages	60,000	--
Discount	--	10,000
Furniture and Fittings	27,000	--
Salaries	17,500	--
Rent	14,950	--
Sundry Expenses	8,050	--
Surplus Account 31st March, 2024	--	25,030
Dividends paid	19,000	--
Share capital	--	1,10,000
Debtors and Creditors	47,500	27,500
Plant and Machinery	30,000	--
Cash and Bank	18,200	--
Reserve	--	16,500
Patents and Trade Marks	5,830	--
	6,08,030	**6,08,030**

Prepare Statement of Profit and Loss for the year ended 31st March 2025 as per schedule III of Companies Act, 2013 and Balance Sheet, taking into considerations the following adjustments.

a) Stock on 31st March 2025 was valued Rs.88,000.

b) Depreciation on fixed assets is 10 percent.

c) Make a provision for Income Tax at 50 percent.

d) Ignore Corporate Dividend Tax.