



62202

Reg. No.

Registration number grid

I Semester M.B.A. [Day & Eve.] Degree Examination, July - 2022

MANAGEMENT
Managerial Accounting
(Scheme 2019)
Paper : 1.2

Time : 3 Hours

Maximum Marks : 70

SECTION-A

Answer any Five questions from the following, each question carries 5 marks. (5x5=25)

- 1. What is GAAP? Explain the need for GAAP.
2. What are the objectives of financial statement analysis?
3. Discuss in brief the techniques of cost reduction.
4. Write note on Human Resource Accounting.
5. Draft a projected Balance Sheet of ABC Ltd for the year ending 31st March 2020 & Explain how to Read the B/S.
6. On 1.1.2020, ABC Ltd purchased machinery for Rs. 7,20,000 and spent Rs. 60,000 for instalation charges. On 30.06.2021, it sold a part of machinery costing Rs. 1,80,000 for Rs. 1,20,000. New machinery was purchased on the same day for Rs. 3,00,000 and spent Rs. 60,000 for transportation.
The depreciation was charged at 10% on W.D.V. method. Prepare machinery account for three years.
7. Prepare flexible budget on the Basis of the following information for the year ended 31.03.2020.

Table with 2 columns: Particulars and Amt. containing budget data for Direct materials, Direct labour, Direct expenses, Factory over heads, Selling over head, and Sales.

During the year the factory was working at 60% capacity. Company want know the budget at 90% capacity for the next year.

[P.T.O.]



(2)
SECTION - B

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Answer any **Three** questions from the following, each question carries **10** marks. (3×10=30)

8. Discuss the users of accounting information and their informational needs.
9. The Asian Industries specialise in the manufacture of small - capacity motors. The cost structure of a motor is as under.

Material	:	Rs. 50
Labour	:	Rs. 80
Variable over heads	:	75% of labour cost.

Fixed over heads of the company amounts to Rs. 2.40 lakhs per annum. The sale price of the motor is Rs. 230 each.

- a) Determine the number of motors that have to be sold in a year in order to Break - even.
- b) How many motors to be sold to make profit of Rs. 1,00,000 per year.
- c) If the sale price is reduced by Rs. 15 each, how many motors to be sold to break even.
- d) If the variable cost increases by 20% what will be the new break even point?
10. The Assets of XYZ Ltd consists of fixed assets and current assets while its current liabilities comprise bank credit and trade credit. From the following figures pertaining to the company for the year 2020-21 prepare balance sheet showing the details of working

Share capital	Rs. 199500
Working capital (CA-CL)	Rs. 45000
Gross margin	20%
Inventory turnover	6
Average collection period :	2 months
Current ratio :	1.5
Quick ratio :	0.9
Reserves and surplus to cash :	3

11. From the following Balance Sheets of Nazaria Ltd and additional information. Prepare a cash flow statement as per AS 3 (revised).

	Rs.	Rs.
	31-03-2014	31-03-2015
Liabilities		
Equity share capital	12,00,000	15,00,000
General Reserve	3,00,000	3,50,000
P/L Account	1,00,000	1,50,000
9% Debentures	6,00,000	4,00,000
Creditors	4,90,000	5,60,000
Proposed Dividends	1,20,000	1,80,000
Provision for Taxation	1,00,000	1,30,000
Total	29,10,000	32,70,000
Assets	Rs.	Rs.
Building	8,00,000	7,60,000
Machinery	5,00,000	7,20,000
Short term investments	3,00,000	4,50,000
Inventories	4,00,000	4,70,000
Debtors	6,70,000	5,30,000
Cash at bank	2,20,000	3,30,000
Pre - paid expenses	20,000	10,000
Total	29,10,000	32,70,000

Additional Information :

1. Debentures were redeemed at a premium of 10% on 1st April 2014.
2. Income Tax paid during the year amounted to Rs. 1,40,000.
3. A machine which appeared at a WDV of Rs. 80,000 was sold for Rs. 1,30,000 and a new machine costing Rs. 3,60,000 was acquired during the year.

[P.T.O.]



SECTION - C

Case Study

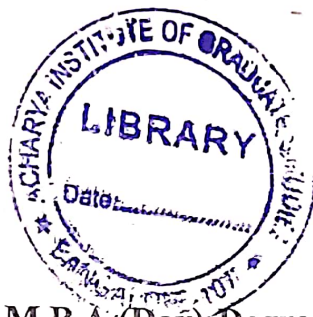
12. Answer the following (Compulsory): (1×15=15)
From the following trial balance of Amit Trading Company Ltd., prepare financial statements for the year ended 31st March, 2020,

Debit Balance	Rs.	Credit Balance	Rs.
Debenture Interest Paid	30,000	Share Capital	20,00,000
Calls in arrears	1,00,000	General Reserve	1,20,000
Purchases	10,00,000	Debenture Redemption	80,000
Opening Stock	1,60,000	Reserve	4,00,000
Debtors	4,00,000	10% Debentures	1,60,000
Prepaid Insurance	60,000	Public Deposits	40,000
10% Government Loan	2,00,000	Purchase Return	24,00,000
Land & Building	28,00,000	Sales	60,000
Plant & Machinery	4,60,000	Creditors	20,000
Sales Return	50,000	Unclaimed Dividend	36,000
Salary & Office Expense	1,40,000	Bad Debts Reserve	84,000
		Profit and Loss A/c (1.4.2019)	
Total	54,00,000	Total	54,00,000

Additional Information.

- Closing stock Rs. 80,000.
 - Make provision for taxation at 40% of profit.
 - Make provision for Bad debt at 10% on Debtors.
 - Proposed dividend 10% on share capital, after transferring 40,000 to General Reserve.
- Prepare the final accounts as per Schedule III of Companies Act, 2013..





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I Semester M.B.A.(Day) Degree Examination, June/July - 2023

MANAGEMENT

Managerial Accounting
(CBCS Scheme 2019 Onwards)

Paper : 1.2

Time : 3 Hours

Maximum Marks : 70

SECTION - A

Answer any Five questions, from the following each question carries 5 marks.
(5×5=25)

1. What is GAAP? Explain the need and objectives of Accounting Principles.
2. Explain the importance of accounting information for managerial decisions.
3. Write a detailed note on social reporting by corporate bodies in India.
4. Critically examine the various tools available for Financial Statement Analysis. What are the limitations of such tools?
5. Assuming the cost structure and selling prices 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.30,000
 - g) Variable cost in period II.

Period	Sales	Profit
	Rs.	Rs.
I	2,40,000	18,000
II	2,80,000	26,000

[P.T.O.]



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6. Mr. Mahesh has the following transactions, prepare accounting equation:

- a) Business started with cash 3,50,000
 - b) Purchased goods from Rohan 1,00,000
 - c) Sold goods on credit to Bhaskar (Costing 35,000) 40,000
 - d) Purchased furniture for office use 20,000
 - e) Cash paid to Rohan in full settlement 97,000
 - f) Cash received from Bhaskar 40,000
 - g) Cash withdrew for personal use 6,000
 - h) Rent paid 2,000
7. A company purchased on 1st Jan 2017 a secondhand plant for Rs.30,000 and immediately spent Rs. 20,000 in overhauling it. On July 1st 2017 additional machinery costing Rs.25,000 was purchased. On July 1st 2019 the plant purchased on Jan. 1st, 2017 became obsolete and was sold for Rs.10,000. On that date new machinery was purchased at a cost of Rs.60,000. Depreciation was provided annually on 31st Dec. at the rate of 10% p.a. on original cost of the Assets. In 2020, however, the Company changed this method of providing depreciation and adopted the method of writing off 15% on diminishing value. Prepare machinery A/c from 2017 to 2022.

SECTION - B

Answer any **THREE** questions from the following, each question carries **10** marks.

(3×10=30)

8. What is Forensic Accounting? Explain the role and function of Forensic Accounting.
9. Using the following data complete the balance sheet.
 - Gross profit (20% of sales) - Rs. 60,000
 - Share Capital - Rs.50,000
 - Credit Sales to Total Sales - 80%
 - Stock Turnover (to Cost of Sales) - 8 Times
 - Total Assets Turnover (on Sales) - 3 Times
 - Average Collection period for 360 days - 18 days.
 - Current Ratio - 1.6
 - Long Term to Equity - 40%

Calculate : Long Term Debt, Creditors, Fixed Assets, Debtors, Cash.



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10. For production of 10,000 units, the following are budgeted expenses:

	Rs. per unit
Direct materials	60
Direct labour	30
Variable overheads	25
Fixed overheads (Rs.1,50,000)	15
Variable overheads(Direct)	5
Selling expenses (10% fixed)	15
Administration expenses (Rs. 50,000 fixed for all levels of production)	5
Distribution expenses (20% fixed)	5
Total cost of sales per unit	<u>160</u>

You are required to prepare a budget for the production of 7,000 and 8,000 units.

11. The following details are available from a company.

Liabilities	31-3-21(Rs.)	31-3-22(Rs.)	Assets	31-3-21(Rs.)	31-3-22(Rs.)
Share capital	1,40,000	1,48,000	Cash	18,000	15,600
Debentures	24,000	12,000	Debtors	29,800	35,400
Reserves for doubtful debts	1,400	1,600	Stock	98,400	85,400
Trade creditors	20,720	23,680	Land	40,000	60,000
Profit and loss A/c	20,080	21,120	Goodwill	20,000	10,000
Total	2,06,200	2,06,400	Total	2,06,200	2,06,400

In addition, you are given:

- Dividend paid Rs.7,000
- Land purchased for Rs. 20,000
- Amount provided for amortization of good will Rs.10,000
- Debentures paid off Rs. 6,000

Prepare cash flow statement.

[P.T.O.]





SECTION - C

(1×15=15)

12. Compulsory Case Study :

Following is the trial balance of Lakshmi Co. Ltd. as at 31st March 2022:

Particulars	Amount	Amount
Stock, 31 st March, 2021	3,00,000	-
Sales	-	14,00,000
Purchases	9,80,000	-
Wages	2,00,000	-
Discount.	-	20,000
Furniture and Fittings	68,000	-
Salaries	30,000	-
Rent	19,800	-
Sundry expenses	28,200	-
Surplus Account 31 st March, 2021	-	60,120
Dividends paid	36,000	-
Share capital	-	4,00,000
Debtors and Creditors	1,50,000	70,000
Plant and Machinery	1,16,000	-
Cash and Bank	64,800	-
Reserve	-	62,000
Patents and Trade Mark	19,320	-
Total	20,12,120	20,12,120

Prepare the financial statements of the company as on 31st March 2022 as per Schedule III of the companies Act, 2013. Take into consideration the following adjustments.

- Stock on 31st March, 2022 was valued at Rs.3,28,000
- Depreciation on fixed assets @ 10%
- Make a provision for income - tax @ 50%
- Ignore corporate dividend tax.

