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**PRESIDENCY UNIVERSITY**

**Bengaluru**

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| **End - Term Examinations – JANUARY 2025** |
| **Date:** 06 / 01/ 2025 **Time:** 09:30 am – 12.30 pm |

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| --- | --- | --- |
| **School:** SOC | **Program:** B.Com | |
| **Course Code:** COM3039 | **Course Name:** MANAGEMENT ACCOUNTING | |
| **Semester-V** | **Max Marks**:100 | **Weightage**:50% |

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| **CO - Levels** | **CO1** | **CO2** | **CO3** | **CO4** | **CO5** |
| **Marks** | **04** | **24** | **24** | **24** | **24** |

**Instructions:**

1. *Read all questions carefully and answer accordingly.*
2. *Do not write anything on the question paper other than roll number.*

**Part A**

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| **Answer ALL the Questions. Each question carries 2 marks. (10Q x 2M = 20M)** | **Bloom's Level** | **CO** |

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| --- | --- | --- | --- | --- |
| **1** | Differentiate Management Accounting and cost Accounting | **2 Marks** | **Remembering** | **CO1** |
| **2** | Differentiate between Financial Accounting and Cost Accounting. | **2 Marks** | **Remembering** | **CO1** |
| **3** | Define Profitability ratio and explain its importance. | **2 Marks** | **Remembering** | **CO2** |
| **4** | State one use of Cash Flow statement | **2 Marks** | **Remembering** | **CO2** |
| **5** | Mention two uses of a Ratio Statement. | **2 Marks** | **Remembering** | **CO3** |
| **6** | What is the purpose of Fund flow statement? | **2 Marks** | **Remembering** | **CO3** |
| **7** | Define cash Budget. | **2 Marks** | **Remembering** | **CO4** |
| **8** | State two limitations of Budgeting. | **2 Marks** | **Remembering** | **CO4** |
| **9** | Explain Debt equity Ratio. | **2 Marks** | **Remembering** | **CO5** |
| **10** | Explain the preparation of a Flexible with format | **2 Marks** | **Remembering** | **CO5** |

**Part B**

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| **Answer ALL the Questions. Each question carries 7 marks. (5Q x 7M = 35M)** | | | **Bloom's Level** | **CO** |
| **11** | The income statements of a concern are given for the year ending on 31st December 2023 and 2024. Re-arrange the figures in a and study the profitability position of the concern through common size statement .   |  |  |  | | --- | --- | --- | |  | **2023**  **Rs.(000)** | **2024**  **Rs.(000)** | | Net sales  Cost of goods  **Operating Expenses**:  General and administrative expenses  Selling expenses  **Non-operating Expenses**:  Interest paid  Income – tax | 785  450  70  80  25  70 | 900  500  72  90  30  80 | | **7 Marks** | **Applying** | **CO3** |
|  | **Or** | | | |
| **12** | List the key differences between Cost accounting and Financial accounting. | **7 Marks** | **Understand** | **CO2** |

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| **13** | Opening Stock 200 00 Sales 54000  Purchase 20000 S/R 2500  P/R 2500 Direct Exp. 1000  Closing stock, 28000  Salary 1200 Admin exp., 3500  Solve and calculate gross profit ratio and net profit ratio | **7 Marks** | **Applying** | **CO3** |
|  | **Or** | | | |
| **14** | Calculate the Debtor and Creditor Turnover Ratios from the following data,   * Sales = 1000,000 * Purchase Return = 20,0000 * Creditors on April 1st, 2023= 40,000 * Creditors on March 31st 2024 = 50,000 * Debtors on April 1st, 2023 = 82,000 * Debtors on March 31st, 2024 = 48,000 * Credit Sales = 25% of Total Sales * Purchase = 600,000 | **7 Marks** | **Applying** | **CO3** |
| **15** | Explain the concept of a fund flow statement and its importance in financial analysis. Compare it with a cash flow statement and assess how it helps in evaluating a company's long-term financial position. | **7 Marks** | **Applying** | **CO4** |
|  | **Or** | | | |
| **16** | Figure out the activities of Inflow, Outflow and no flow as per fund flow statement  1.Collection of accounts receivable.  2.Proceeds from issuing of Debenture .  3.Borrowing from banks or financial institutions.  4.Repayment of loans or interest on loans.  5.Payment of dividends to shareholders.  6.Taxes paid to the government.  7.Writing off bad debts. | **7 Marks** | **Remembering** | **CO4** |

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| **17** | Explain the components of a cash flow statement. Discuss how it offers insights into a company's financial health and assess its significance in managerial decision-making. | **7 Marks** | **Understanding** | **CO5** |
|  | **Or** | | | |
| **18** | Identify the types of activities in a cash flow statement as per Accounting Standard 3:   * Cash received from customers for the sale of goods or services. * Cash paid to suppliers for inventory purchases. * Cash received from issuing equity shares or bonds. * Cash paid to shareholders as dividends. * Cash received from the sale of fixed assets. * Cash paid for the purchase of investments (e.g., stocks, bonds). * Cash paid for utilities, rent, and other operating expenses. | **7 Marks** | **Applying** | **CO5** |

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| **19** | KK Limited wish to approach the bankers for temporary overdraft facility for the period from October 2019 to December 2019. During the period of this period of these three months, the firm will be manufacturing mostly for stock. You are required to prepare a cash budget for the above period. (a) sales are realized in the month following the sales. (b) Creditors are paid in one month following the month of purchase (c) Estimated cash as on 1‐10‐2019 is Rs.50,000. (d) Exp. Are paid in the same month.   |  |  |  |  | | --- | --- | --- | --- | | Month | Sales (Rs.) | Purchases (Rs.) | Wages (Rs.) | | August | 360000 | 249600 | 24000 | | September | 384000 | 288000 | 28000 | | October | 216000 | 486000 | 22000 | | November | 348000 | 492000 | 20000 | | December | 252000 | 536000 | 30000 | | **7 Marks** | **Applying** | **CO5** |
|  | **Or** | | | |
| **20** | Explain the Importance and objectives of Budgeting. | **7 Marks** | **Understand** | **CO5** |

**PTO**

**Part C**

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| **Answer Any THREE Questions. Each question carries 15 marks. (3Q x 15M = 45M)** | **Bloom's Level** | **CO** |

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| **21** | Prepare a Comparative balance sheet from the following information and interpret the results.  Balance sheet as on 31 March 2023-24 (Amount in Lakhs)   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Liabilities** | **2023** | **2024** | **Assets** | **2023** | **2024** | | Equity Share Capital | 1000 | 1200 | Current Assets: |  |  | | Capital reserves | 90 | 185 | Debtors | 450 | 390 | | General Reserves | 500 | 450 | Cash | 200 | 15 | | Sinking fund | 90 | 100 | Stock | 320 | 250 | | Debentures | 450 | 650 | Investments | 300 | 250 | | S Creditors | 200 | 150 | Fixed Assets: |  |  | | Other C Liabilities | 15 | 20 | Buildings | 800 | 1400 | |  |  |  | Land | 198 | 345 | |  |  |  | Furniture and Fixtures | 77 | 105 | |  | **2345** | **2755** |  | **2345** | **2755** | | **15 Marks** | **Applying** | **CO2** |
| **22** | Prepare a Statement of changes in Working Capital change schedule and from the following Balance Sheets of ABC Limited.   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Balance Sheets as at December31** | | | | | | | ***Liabilities*** | **2022 *Rs.*** | **2023 *Rs.*** | ***Assets*** | **2022 *Rs.*** | **2023 *Rs.*** | | Equity Capital | 5,00,000 | 5,00,000 | Fixed Assets | 6,00,000 | 7,00,000 | | Debentures | 3,70,000 | 4,50,000 | Long-term  Investments | 2,00,000 | 1,00,000 | | Tax Payable | 77,000 | 43,000 | Work-in-Progress | 80,000 | 90,000 | | Accounts Payable | 96,000 | 1,92,000 | Stock-in-trade | 1,50,000 | 2,25,000 | | Interest Payable | 37,000 | 45,000 | Accounts Receivable | 70,000 | 1,40,000 | | Dividend Payable | 50,000 | 35,000 | Cash | 30,000 | 10,000 | |  | **1130000** | **1265000** |  | **1130000** | **1265000** | | **15 Marks** | **Applying** | **CO3** |
| **23** | Calculate Current Ratio, Quick Ratio and debt equity ratio from the following balance sheet and comment upon them   |  |  |  |  | | --- | --- | --- | --- | | Liabilities | Amount | Assets | Amount | | Equity Share capital | 12,00,000 | Goodwill | 2,00,000 | | 7% Debentures | 7,10,000 | Land | 4,60,000 | | Long term debts | 4,00,000 | Plant | 6,00,000 | | Bank Overdraft | 1,20,000 | Trade Investments | 6,00,000 | | S. Creditors | 1,20,000 | S Debtors | 3,00,000 | | Bills Payable | 60,000 | Bills Receivable | 80,000 | | Liability for tax | 60,000 | Cash in hand | 1,00,000 | |  |  | Cash at Bank | 1,20,000 | |  |  | Stock | 2,00,000 | |  |  | Prepaid Rent | 10,000 | |  | 26,70,000 |  | 26,70,000 | | **15 Marks** | **Applying** | **CO4** |
| **23** | Prepare Flexible Budget at 60%, 70% and 80% level from the following details. The data is given at 50% level and unit is producing 10,000 units .   |  |  | | --- | --- | | **Particulars** | **50% (10,000)** | | Material | 200000 | | Wages | 80000 | | Labor | 60000 | | Salary | 50000(Fixed) | | Administrative Exp. | 40000(50% Fixed) | | Telephone Chargers | 10000 (20% variable) | | Depreciation | 20000 (Fixed) | | **15 Marks** | **Applying** | **CO5** |