



**PRESIDENCY UNIVERSITY  
BENGALURU**

**SCHOOL OF LAW  
END TERM EXAMINATION - JAN 2023**

**Semester :** Semester III - 2021

**Course Code :** COM2010

**Course Name :** Sem III - COM2010 - Management Accounting

**Program :** B.Com LLB (Honors) / BA LLB (Honors)

**Date :** 10-JAN-2023

**Time :** 1.00PM - 4.00PM

**Max Marks :** 100

**Weightage :** 50%

**Instructions:**

- (i) Read all questions carefully and answer accordingly.  
 (ii) Question paper consists of 3 parts.  
 (iii) Scientific and non-programmable calculator are permitted.

**PART A**

**ANSWER ALL THE FOLLOWING QUESTIONS**

**10 X 2 = 20M**

1. Define external analysis. (CO1) [Knowledge]
2. Define the term statements of retained earnings. (CO1) [Knowledge]
3. Calculate current ratio from the following data: (CO2) [Knowledge]

Stock	24000
Cash at Bank	4560
Prepaid Insurance	1440
Sundry Debtors	18000
Sundry Creditors	46800
Provision for taxation	1200
4. Calculate quick ratio from the following data: (CO2) [Knowledge]

Stock	24000
Cash at Bank	4560
Prepaid Insurance	1440
Sundry Debtors	18000
Sundry Creditors	46800
Provision for taxation	1200
5. Give any four examples of Application of Funds. (CO3) [Knowledge]
6. In which side of Fund Flow Statement you will show the following items? (CO3) [Knowledge]
  - (i) Increase in Working Capital
  - (ii) Decrease in Working Capital
7. Which accounting standard is followed for preparing Cash Flow Statement? (CO4) [Knowledge]
8. List any two examples of Cash Inflows from financing activities. (CO4) [Knowledge]

9. What is the difference between Cash Budget and Cash Flow Statement? (CO5) [Knowledge]
10. Describe any four qualities of good reporting system. (CO5) [Knowledge]

**PART B**

**ANSWER ALL THE FOLLOWING QUESTIONS**

**4 X 10 = 40M**

11. Management Accounting aims to improve the quality of information given to the decision-makers. A management accountant takes information from the financial and cost accountants and facilitates the management to take strategic decisions. Discuss in detail the various roles of management accountants in decision-making. (CO1) [Comprehension]

12.

Liabilities	RS.	Assets	RS.
Equity Capital	250000	Goodwill (at cost)	150000
10% Preference Capital	50000	Plant and machinery	280000
General Reserve	170000	Land and building	220000
Profit & Loss Account	30000	Stock in trade	60000
9% Debentures	100000	Investments	40000
Sundry Creditors	150000	Stock in trade	35000
Wages outstanding	50000	Cash and bank	15000
	800000		800000

- Calculate (i) Debt Equity Ratio (CO2) [Comprehension]  
(ii) Proprietary Ratio

13. Draft the format of fund flow statement with dummy figures. (CO3) [Comprehension]
14. What is the meaning of Cash Budget and describe any four difference between cash budget and cash flow statement. (CO5) [Comprehension]

**PART C**

**ANSWER ALL THE FOLLOWING QUESTIONS**

**2 X 20 = 40M**

15. Write the following Formulas with complete description:  
(i) Current Ratio  
(ii) Net Profit Ratio  
(iii) Gross Profit Ratio  
(iv) Quick Ratio  
(v) Debt Equity Ratio  
(vi) Proprietary Ratio  
(vii) Debt Service Ratio  
(viii) Operating Ratio

(CO2) [Application]

16.

Particular	31-03-2022	31-03-2023
Profit and Loss Account	60000	65000
Debtors	85000	48000
Bills Receivable	40000	81000
General Reserve	172000	207000
Wages Outstanding	26000	8000
Salaries Prepaid	8000	10000
Goodwill	70000	60000

Calculate cash from operating activities from the above given information.

(CO4) [Application]