

Roll No



**PRESIDENCY UNIVERSITY
BENGALURU**

SET B

**SCHOOL OF COMMERCE
END TERM EXAMINATION - JAN 2024**

Semester : Semester V - 2021
Course Code : COM3039
Course Name : Management Accounting
Program : BCM

Date : 05-JAN-2024
Time : 1:00 PM - 4:00 PM
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.
(iv) Do not write any information on the question paper other than Roll Number.

PART A

ANSWER ALL THE QUESTIONS

5 X 2M = 10M

- State the objectives of management accounting. (CO1) [Knowledge]
- What is ratio analysis? (CO2) [Knowledge]
- "Define the statement of changes in working capital and explain its any two significance in financial analysis." (CO3) [Knowledge]
- Define the cash flow statement and give two advantages of the cash flow statement. (CO4) [Knowledge]
- "List and briefly describe two primary objectives of implementing budgetary control in an organization." (CO5) [Knowledge]

PART B

ANSWER ALL THE QUESTIONS

5 X 10M = 50M

6. calculate the trend percentages from the following figures of Mahindra Auto Ltd. Take 2013 as the base and interpret them:

Years	Sales (₹)	Profit after Tax(₹)
2013	2,000	150
2014	2,200	185
2015	2,500	210
2016	3,000	220
2017	3,900	240
2018	4,100	250
2019	4,500	260
2020	5,000	270
2021	5,500	300
2022	6,000	350

(CO1) [Comprehension]

7. a. List and explain six advantages of using ratio analysis in financial assessment and decision-making.
b. Identify and elaborate on four limitations of ratio analysis in evaluating a company's financial performance.
- (CO2) [Comprehension]
8. Prepare the Statement of changes in working capital with imaginary figures of XYZ Corporation.
- (CO3) [Comprehension]
9. Explain the key terms of the Cash Flow Statement of the following.
a. Operating activities, Investing activities, and Financing activities.
b. Give three examples of each of the above
- (CO4) [Comprehension]
10. Company XYZ implemented a budgetary control system to manage its finances. Describe at least five key features of an effective budgetary control system and explain how these features can help XYZ in achieving its financial objectives.
- (CO5) [Comprehension]

PART C

ANSWER ALL THE QUESTIONS

2 X 20M = 40M

11. **Case Study: XYZ Corporation's Financial Performance:**
XYZ Corporation, a multinational company, has operated for several years. The company's financial statements for the last fiscal year are available. As an analyst hired to assess the company's financial performance, address the following:
Questions:
1. Define and explain the objectives of ratio analysis.
 2. Elaborate on the advantages of using ratios for evaluating a company's financial performance.
 3. Analyze and highlight potential challenges or drawbacks that XYZ Corporation might encounter while relying on ratio analysis for assessing its financial health.
- (CO2) [Application]
12. **Case Study: Cash Flow Analysis for XYZ Enterprises**
XYZ Enterprises, a retail company, presents its financial data for the year ended December 31, 2022. Analyze the provided information to answer the following questions:
Financial Data (in \$):
- | Financial Data | Amount |
|--------------------------------|------------|
| Net Income | \$200,000 |
| Depreciation Expense | \$40,000 |
| Changes in Accounts Receivable | \$15,000 |
| Changes in Accounts Payable | \$(8,000) |
| Purchase of Inventory | \$(50,000) |
| Sale of Equipment | \$30,000 |
| Issuance of Common Stock | \$25,000 |
| Cash from Operating Activities | ? |
- Questions:
1. **Calculate Cash Flow from Operating Activities:** Determine the cash flow from operating activities for XYZ Enterprises based on the provided financial data.
 2. **Prepare a Cash Flow Statement:** Utilizing the given information, create a summarized cash flow statement for XYZ Enterprises for the year ended December 31, 2022.

(CO4) [Application]