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**Presidency University**

**Bengaluru**

**SCHOOL OF COMMERCE**

**Make-Up Examinations, July 2024**

**Semester**: V

**Course Code**: COM3039

**Course Name**: Management Accounting

**Program** B.COM

**Date**: 02 July 2024

**Time**: 9:30 AM-12:30 PM

**Max Marks**: 100

**Weightage**: 50%

**Instructions:**

1. *Read the all questions carefully and answer accordingly.*
2. *Question paper consists of three parts.*
3. *Scientific and Non Programable Calculators are Permitted.*
4. *Do not write any information on the question paper other than roll number.*

**Part A**

**Answer any FIVE Questions. (5 Q x 2 M = 10 M)**

1. Define budgetary control in management accounting using two key aspects. (C.O.No.5) [Knowledge]

2. List out any four Non-operating Incomes. (C.O.No.4) [Knowledge]

3. Define the cash flow statement and give two advantages of the cash flow statement. (C.O.No.4) [Knowledge]

4.State the meaning of Management Accounting. (C.O.No.1) [Knowledge]

5.Calculate the working capital from the following information.  
  Fixed Assets         = ₹ 1,00,000  
  Current Assets      = ₹ 50,000  
   Current Liabilities = ₹ 30,000 (C.O.No.2) [Knowledge]

6. Explain the meaning of Analysis and Interpretation. (C.O.No.1) [Knowledge]

7.Describe the Meaning of Financial Statement Analysis. (C.O.No.3) [Knowledge]

**Part B**

**Answer any FIVE Questions. (5 Q x 10 M = 50 M)**

1. Calculate cash flow from operating activities from the following information.

|  |  |  |
| --- | --- | --- |
| Particulars | 2010 (₹ ) | 2011( ₹ ) |
| Bills Receivable | 21,000 | 26,000 |
| Debtors | 1,00,000 | 81,000 |
| Outstanding Expenses | 1,600 | 2,000 |
| Creditors | 51,000 | 41,000 |
| Accrued Income | 13,000 | 15,000 |
| BillsPayable | 81,000 | 51,000 |
| Profit & Loss | 1,10,000 | 3,60,000 |

(C.O.No.4) [Comprehension]

9. 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. (C.O.No.2) [Comprehension]

|  |  |
| --- | --- |
| Particulars | (₹) |
| Sales/Revenue from operations | 15,00,000 |
| Less: cost of Sales | 6,00,000 |
| Gross Profit | 9,00,000 |
| Less: Operating Expenses | 1,20,000 |
| Operating profit | 7,80,000 |
| Add: Non-operating Income | 20,000 |
|  | 8,00,000 |
| Less: Non-operating expenses | 50,000 |
| Net profit | 7,50,000 |

10.  The following is the rearranged revenue statement of Sun Shine Ltd company for the year ending 31/3/2022.

Calculate : (a) Gross Profit Ratio  
       (b) Operating Ratio  
       (c) Operating Profit Ratio  
  (d) Net profit Ratio (C.O.No.2) [Comprehension]

1. Company ABC is a retail company that sells a variety of consumer products. As the newly hired financial analyst, you are tasked with evaluating the company's accounting practices to improve reporting for both internal management and external stakeholders.

(C.O.No.1) [Comprehension]

12. 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. (C.O.No.4) [Comprehension]

13. Prepare the Statement of changes in working capital with imaginary figures of XYZ Corporation. (C.O.No.3) [Comprehension]

14. Define the terms Funds Flows and Cash Flows and elucidate the contrast between a Funds Flow Statement and a Cash Flow Statement. (C.O.No.3) [Comprehension]

**Part C**

**Answer any TWO Questions. (2 Q x 20 M = 40 M)**

15. a. List out any five tools for Financial Statement  Analysis.  
b. .Prepare a common size statement of profit and loss from the following information and interpret the same.

|  |  |  |
| --- | --- | --- |
| Particulars | 31/3/23  (₹) | 31/3/2022  (₹) |
| Revenue from operations | 3,00,000 | 2,50,000 |
| Cost of material consumed | 1,80,000 | 1.50,000 |
| Finance costs | 25,000 | 20,000 |
| Other expenses | 12,000 | 15,000 |
| Other income ( Interest) | 14,000 | 14,000 |

(C.O.No.1) [Application]

16.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. (C.O.No.2) [Application]

|  |  |  |
| --- | --- | --- |
| Years | Sales  (₹) | Profit after Tax(₹) |
| 2015 | 1,000 | 150 |
| 2016 | 1,200 | 185 |
| 2017 | 1,500 | 210 |
| 2018 | 2,000 | 220 |
| 2019 | 2,900 | 240 |
| 2020 | 3,100 | 250 |
| 2021 | 3,500 | 260 |
| 2022 | 4,000 | 270 |

17. a.Calculate the trend percentages from the following figures of Samir Auto Ltd. Taking 2015 as the base and interpret them:

b. Prepare a comparative Balance sheet of Zell Ltd

|  |  |  |
| --- | --- | --- |
| Particulars | 31/3/2020 (₹) | 31/3/2021 (₹) |
| I.Equity and Liabilities |  |  |
| Shareholders Fund: |  |  |
| Share capital | 75,000 | 55,000 |
| Reserves and surplus | 25,000 | 20,000 |
| Non-current Liabilities : |  |  |
| Loans (long term) | 40,000 | 50,000 |
| Current liabilities | 25,000 | 31,000 |
| Total | 1,65,000 | 1,56,000 |
| II.Assets |  |  |
| Non-current Assets |  |  |
| Fixed Assets | 1,10,000 | 1,00,000 |
| Current Assets | 55,000 | 56,000 |
| Total | 1,65,000 | 1,56,000 |

(C.O.No.1) [Application]