

**M. COM. SEM - III (CHOICE BASED CREDIT SYSTEM) (2012
COURSE) : SUMMER - 2019**

SUBJECT: MANAGEMENT ACCOUNTING - I

Day: Friday
Date: 03/05/2019

Time: 03.00 PM TO 06.00 PM
Max. Marks: 60

S-2019-0488

N.B.:

- 1) All questions are **COMPULSORY**.
- 2) Figures to the right indicate **FULL** marks.

Q.1 What is 'Management Accounting'? State its main objectives and (16) Limitations.

OR

- a) Explain the usefulness of Management Accounting to Modern Business. (08)
- b) Distinguish between Cost Accounting and Management Accounting. (08)

Q.2 What is Meant by accounting ratios? What are its advantages and (16) Limitations?

OR

The following figures are extracted from the books of Indiana Ltd. Igatupuri (16) 31st March, 2013.

Particulars	Rs.
Sales	24,00,000
Less: Operating Expenses (-)	<u>18,00,000</u>
: Gross Profit	6,00,000
Less: Non- Operating Expenses (-)	2,40,000
: Net Profit	<u>3,60,000</u>
Current Assets	7,60,000
Inventories	8,00,000
Fixed Assets (+)	<u>14,40,000</u>
: Total Assets	30,00,000
Net worth	15,00,000
Debt	9,00,000
Current Liabilities (+)	6,00,000
Total Liabilities	<u>30,00,000</u>
: Working Capital	9,60,000
(Current Assets + Inventories - Current Liabilities)	
Rs. 7,60,000 Rs. 8,00,000 Rs. 6,00,000	

Calculate:

- i) Gross Profit Ratio
- ii) Net Profit Ratio
- iii) Return on Assets
- iv) Working Capital Turnover

P. T. O.

- Q.3** What do you Mean by a Funds flow Statement? Describe the Method of (16)
preparation of Funds flow statement.

OR

The following are the Balance Sheets of X Co. Ltd, for the year ended 31st (16)
December, 2013 and 31st December, 2014.

Balance Sheets

Liabilities	2013	2014	Assets	2013	2014
	Rs.	Rs.		Rs.	Rs.
Share Capital	70,000	70,000	Plant & Machinery	50,000	91,000
Secured Loans	-	40,000	Inventory	15,000	40,000
Creditors	14,000	39,000	Debtors	5,000	20,000
Taxation Provision	1,000	3,000	Cash	20,000	7,000
P & L A/c	7,000	10,000	Prepaid General		
			Expenses	2,000	4,000
	92,000	1,62,000		92,000	1,62,000

Profit and Loss Account of the Company for the year ending 31st December,
2014 is also available as follows:

Profit and Loss Account for the year ended 31st March, 2013

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Particulars	Rs.	Particulars	Rs.
To Opening Stock	15,000	By Sales	1,00,000
To Purchase	98,000	By Closing Stock	40,000
To G. P. c/d	27,000		
	<u>1,40,000</u>		<u>1,40,000</u>
To General Expenses	11,000	By G. P. b/d	27,000
To Depreciation	8,000		
To Provision for Taxation	4,000		
To Net Profit	4,000		
	<u>27,000</u>		<u>27,000</u>
To Dividend	1,000	By Balance b/d	7,000
To Balance c/d	10,000	By Net Profit	4,000
	<u>11,000</u>		<u>11,000</u>

You are required to prepare a Cash Flow Statement of the Co, for the year
ended 31st December, 2014 from the above information. Show your working
in details.

- Q.4** Write short notes on any **THREE** of the following: (12)

- Essentials of Management Accounting
- Solvency Ratios
- Concept of Working Capital
- Limitations of Cash Flow Analysis
- Responsibilities of Management Accountants

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