

**M. COM. SEM - III (CHOICE BASED CREDIT SYSTEM) (2012
COURSE) : SUMMER - 2018
SUBJECT : MANAGEMENT ACCOUNTING – I**

Day : **Friday**
Date : **20/04/2018**

S-2018-0377

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

N.B.

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

Q.1 “Management Accounting is essentially information accounting”. Explain the usefulness of Management Accounting to Modern business. **(16)**

OR

What are the functions, duties and responsibilities of Management Accountant?

Q.2 Describe giving the formula and significance of any four of the following: **(16)**

- a) Current Ratio
- b) Gross Profit Ratio
- c) Acid Test Ratio
- d) Net Profit Ratio
- e) Debtor Turnover Ratio
- f) Stock Turnover Ratio

OR

The following are the ratios relating to the activities of Bharat Traders Ltd.

Debtors' Velocity	3 months
Stock Velocity	8 months
Creditors' Velocity	2 months
Gross Profit Ratio	25%

Gross Profit for the year amounts to Rs. 4,00,000. Closing Stock of the year is Rs. 10,000 above the opening stock. Bills receivable amount to Rs. 25,000 and Bills Payable to Rs. 10,000.

Find out the following figures:

- 1) Sales
- 2) Sundry Debtors
- 3) Closing Stock
- 4) Sundry Creditors

Q.3 Explain the planning of Working Capital. **(16)**

P.T.O.

OR

The comparative Balance Sheets of H for two years are as follows:

Balance Sheet

Liabilities	2013 Rs.	2014 Rs.	Assets	2013 Rs.	2014 Rs.
Loan from wife	-	20,000	Cash	11,000	15,000
Bills Payable	12,000	8,000	Debtors	40,000	35,000
Creditors	25,000	52,000	Stock	25,000	30,000
Bank Loan	43,000	60,000	Machinery	20,000	14,000
Capital	66,000	34,000	Land & Building	50,000	80,000
	1,46,000	1,74,000		1,46,000	1,74,000

Additional Information:

- 1) Net loss for the year 2014 amounted to Rs. 13,000.
 - 2) During the year a machine costing Rs. 5,000 (accumulated depreciation Rs. 2,000) was sold for Rs. 2,500.
 - 3) The provision for depreciation against machinery was Rs. 6,000 and 7,000 for respective years.
- Prepare Cash Flow Statement.

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

- a) Limitations of Management Accounting
- b) Solvency Ratios
- c) Uses of Fund Flow Statement
- d) Component of Working Capital
- e) Inventory Management

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