

**GOVERNMENT COMMERCE COLLEGE, VADALI**  
**INTERNAL EXAMINATION–SEPTEMBER–2023**  
**SUBJECT: MANAGEMENT ACCOUNTING – I (SUBJECT CODE: CE 302A)**  
**B.COM. – 5**  
**SECTION–A**

**DATE: 29/09/2023**  
**DAY: FRIDAY**

**TIME: 20 MINUTES**  
**TOTAL MARK: 10**

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**You are required to attempt following Multiple Choice Questions. (Attempt 10 out of 12) (10)**

- 01.** In Management Accountancy Internal Audit is to be done \_\_\_\_\_  
(A). Voluntary  
(B). Compulsory  
(C). Partial Voluntary & Partial Compulsory  
(D). None of the Above
- 02.** Which of the following methods is not a Tools and Techniques of Management Accountancy ?  
(A). Historical Costing  
(B). Standard Costing  
(C). Marginal Costing  
(D). Unit Costing
- 03.** Management by Exception is \_\_\_\_\_  
(A). A Tool of Management Accountancy  
(B). A Part of Costing Method  
(C). A Method of Preparing Financial Statement  
(D). Not any type of Accounting Method
- 04.** Profitability Ratio is related to \_\_\_\_\_  
(A). Debtors  
(B). Turnover  
(C). Creditors  
(D). Assets
- 05.** To calculate the Expense Ratio, Expenses are generally divided by \_\_\_\_\_  
(A). Assets  
(B). Profit  
(C). Sales  
(D). Capital Employed
- 06.** Which assets is not included while calculating the Rate of Return on Investment ?  
(A). Fixed Assets  
(B). Intangible Assets  
(C). Current Assets  
(D). Fictitious Assets

07. Purchase of Vehicle is Cash Flow from\_\_\_\_\_
- (A). Operating Activities
  - (B). Financing Activities
  - (C). Investing Activities
  - (D). None of the Above
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08. Redemption of Long Term Loan is Cash Flow from\_\_\_\_\_
- (A). Financing Activities
  - (B). Investing Activities
  - (C). Operating Activities
  - (D). None of the Above
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09. Preliminary Expenses Written off will come under the head Cash Flow from\_\_\_\_\_
- (A). Financing Activities
  - (B). Operating Activities
  - (C). Investing Activities
  - (D). None of the Above
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10. \_\_\_\_\_ is a chart of future incomes and expenses.
- (A). Ratio Analysis
  - (B). Fund Flow Statement
  - (C). Budget
  - (D). Cash Flow Statement
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11. If Stock Turnover is 5 times, Opening Stock is Rs. 10,000 less than the Closing Stock and Average Stock is Rs. 40,000. Find out Purchases.
- (A). Rs. 1,35,000/-
  - (B). Rs. 2,00,000/-
  - (C). Rs. 2,10,000/-
  - (D). Rs. 2,40,000/-
12. Which assets can not be included in Current Assets while calculating the Current Ratio ?
- (A). Underwriting Commission
  - (B). Prepaid Expenses
  - (C). Stock in Trade
  - (D). Bills Receivable

\*\*\*\*\*ALL THE BEST\*\*\*\*\*

**GOVERNMENT COMMERCE COLLEGE, VADALI**  
**INTERNAL EXAMINATION – SEPTEMBER–2023**  
**SUBJECT: MANAGEMENT ACCOUNTING – I (SUBJECT CODE: CE 302A)**  
**B.COM. – 5**  
**SECTION-B**

**DATE: 23/09/2023**  
**DAY: FRIDAY**

**TIME: 1 HOUR**  
**TOTAL MARKS: 30**

**Q-1(A).** Prepare a Cash Budget for three months ending on 30<sup>th</sup> June' 2023, from the following information of **MARRYGOLD LTD.** On 1<sup>st</sup> April'2023 the credit balance of Bank Account is Rs.1,00,000. The cost of goods in terms of percentage of the selling price is as follows:

Particulars	In %
Materials	40
Wages	30
Factory Overheads	10

The production and stock of finished goods are as follows:

Months	Production (In Units)	Closing Stock (In Units)
January	10,000	1,000
February	11,000	2,000
March	12,000	3,000
April	13,000	2,000
May	12,000	1,000
June	11,000	2,000
July	10,000	3,000

Additional Information:

1. Cost of Sales is Rs.100 per unit, add 50% Profit on Sales.
2. Cash Sales is 25% of Total Sales. Cash Discount of 10% is allowed on Cash Sales. 75% of Credit Sales are collected in the month after sale and the balance in the second month after sale.
3. For anticipating sales of each month, necessary purchases are made for cash and the payments for the remaining purchases are made in two equal monthly installments thereafter.
4. Time lag: Wages  $\frac{1}{2}$  Month & Factory Overheads  $\frac{1}{4}$  Month.
5. The company has a 10% government Security of Rs.5,00,000. Interest will be received on 30<sup>th</sup> April and 31<sup>st</sup> December.
6. A new machine is to be bought for Rs.1,00,000 in the month of April payable Rs.20,000 as down payment and the balance in quarterly installments with interest 12% p.a.
7. The company has purchased 5,000 Equity shares of Sun Computers Ltd. Having face value of Rs.10 each, at Rs.100 per share in the year 2020. Prevailing market price of each equity share is Rs.200. Sun computers Ltd. has declared dividend at 50% which will be received in June' 2022.
8. A cheque for Rs.25,000 being amount of last year's Income Tax Refund, will be received in April' 2022, same will be deposited in Bank on 10<sup>th</sup> May.
9. The company issued 10,000 Equity Shares of Rs.10 each at a premium of 20% in March' 2022, which will be received in the next month.

**Note:** All calculations are to be considered as a part of the answer. **(13)**

**Q-1(B).** Write any two demerits of Cash Budget. **(02)**

**OR**

**Q-1(A).** The Balance Sheet of **LOTUS LTD.** as at 31-03-2022 and 31-03-2023 are as under:

<b>Liabilities</b>	<b>31-03-2022</b>	<b>31-03-2023</b>	<b>Assets</b>	<b>31-03-2022</b>	<b>31-03-2023</b>
Equity Share Capital	2,00,000	4,00,000	Machinery	2,80,000	4,60,000
General Reserve	15,000	25,000	Stock	90,000	1,10,000
Profit and Loss A/c	8,000	40,000	Debtors	25,000	80,000
10% Debentures	90,000	90,000	Bills Receivable	5,000	7,500
Secured Loans	10,000	10,000	Bank Balance	50,000	88,500
Creditors	1,46,000	1,76,000	Prepaid Expenses	30,000	14,000
Proposed Dividend	10,000	20,000	Preliminary Expenses	3,000	5,000
Provision for Taxes	4,000	4,000			
<b>Total....</b>	<b>4,83,000</b>	<b>7,65,000</b>	<b>Total....</b>	<b>4,83,000</b>	<b>7,65,000</b>

**Additional Information:**

<b>Particulars</b>	<b>31-03-2022 Rs.</b>	<b>31-03-2023 Rs.</b>
Sales (Credit Sales are three times Cash Sales)	2,40,000	4,20,000
Purchases	1,70,000	3,10,000
Purchase Expenses	10,000	25,000
Office Expenses	40,000	45,000
Sales Distribution Expenses	32,000	40,000

The book value of stock on 31-03-2021 was Rs. 80,000 and its market value was Rs. 70,000. Find out and interpret the following Accounting Ratios:

1. Gross Profit Ratio
2. Net Profit Ratio
3. Liquidity Ratio
4. Return on Employed Capital
5. Stock Ratio
6. Debtors Ratio (Assume 360 Days)

**Note:** All calculations are to be considered as a part of the answer.

(13)

**Q-1(B).** Enumerate any two pros of Accounting Ratio Analysis.

(02)

**Q-2(A).** The Balance Sheet of **ROSELTD.** as 31-03-2022 and 31-03-2023 are given below. Prepare Cash Flow Statement: (13)

<b>Liabilities</b>	<b>2021-2022</b>	<b>2022-2023</b>	<b>Assets</b>	<b>2021-2022</b>	<b>2022-2023</b>
10% Redeemable Pref. Share capital each of Rs. 10, Rs. 7 per share paid up	70,000	--	Goodwill	80,000	60,000
Equity Share Capital each of Rs. 10 fully paid up	2,00,000	3,00,000	Land & Building	1,60,000	2,50,000
Securities Premium	15,000	10,000	Plant & Machinery	1,40,000	2,00,000
General Reserve	80,000	50,000	Investments	40,000	--
Profit & Loss A/c	35,000	75,000	Stock	30,000	50,000
12% Debentures	--	1,00,000	Bookdebts	44,000	40,000
Bank Overdraft	20,000	--	Bills Receivable	10,000	10,000
Creditors	50,000	60,000	Cash	10,000	11,000
Provision for Taxation	24,000	30,000	Bank Balance	--	40,000
Proposed Dividend	20,000	36,000			
<b>TOTAL....</b>	<b>5,14,000</b>	<b>6,61,000</b>	<b>TOTAL....</b>	<b>5,14,000</b>	<b>6,61,000</b>

During the year 2022-2023 the **ROSE LTD.:**

1. Investments are sold at profit of 20% on its sales proceeds.
2. Depreciation written off: On Land & Building Rs.30,000; On Plant & Machinery Rs.25,000.
3. The company has redeemed redeemable pref. shares with 5% premium after observing necessary requirements of Act. For the purpose of redemption of pref. shares, the amount of Rs.1,00,000 has been transferred from General Reserve to Capital Redemption Reserve.
4. The company has issued Bonus Shares to the existing equity shareholders from Capital Redemption Reserve, in the proportion of 2:1.
5. Debenture were issued at 5% discount.
6. Rs.25,000 have been paid as tax for the last year and the amount of proposed dividend of the last year, has also been paid.

**Note:** All calculations are to be considered as a part of the answer.

**Q-2(B).** Write meaning of Cash & Cash Equivalents. **(02)**

**OR**

**Q-2(A).** Discuss Tools & Techniques of Management Accountancy. **(06)**

**Q-2(B).** Explain Cons of Management Accounting. **(06)**

**Q-2(C).** Elucidate any three points of Scope of Management Accountancy. **(03)**

**\*\*\*\*\*ALL THE BEST\*\*\*\*\***