



**SRN – 06 (A)**

**M.Com. (Semester – I) Examination, November 2018**  
**COC103 : MANAGERIAL ACCOUNTING (OA – 18)**

Duration : 3 Hours

Max. Marks : 60

- Instructions :** 1) This paper consists of **nine** questions carrying **equal** marks.  
 2) Question No. 1 consist of **5 compulsory** questions of **2 marks each**.  
 3) Answer **any 5** questions from question no **2, 3, 4, 5, 6, 7, 8 and 9**.  
 4) **Each** question carries **10 marks**. Figures to the **right** indicate marks.

1. Answer the following short questions in brief : **(5×2=10)**  
 a) Differentiate between monetary and non-monetary assets (2 points each) .  
 b) Write short note on responsibility centres.  
 c) Compare marginal costing with absorption costing.  
 d) What are the objectives of budgetary control ?  
 e) What is sale and lease back ?
2. The following are the summarised Balance Sheets of ABC Ltd. as on 31<sup>st</sup> December, 2016 and 31<sup>st</sup> December, 2017 :

<b>Liabilities</b>	<b>2016 (Rs.)</b>	<b>2017 (Rs.)</b>	<b>Assets</b>	<b>2016 (Rs.)</b>	<b>2017 (Rs.)</b>
Equity share capital	2,00,000	2,40,000	Land and buildings	1,05,000	1,50,000
8% Debentures	50,000	–	Plant and Machinery		
Share premium	–	10,000	(at cost)	2,90,000	3,20,000
General reserves	30,000	50,000	Furniture		
Profit and Loss Account	48,000	68,000	(at cost)	9,000	10,000
Sundry Creditors	1,30,000	1,50,000	Inventories	1,30,000	1,05,000
Proposed dividend	20,000	24,000	Sundry debtors	75,000	85,000
<b>Provision for depreciation :</b>			Cash	15,000	26,000
Plant and Machinery	1,40,000	1,50,000			
Furniture	6,000	4,000			
<b>Total</b>	<b>6,24,000</b>	<b>6,96,000</b>		<b>6,24,000</b>	<b>6,96,000</b>

P.T.O.



**Additional information is as follows :**

- 1) Furniture which cost Rs. 5,000, written down value Rs. 1,000, was sold during the year 2017 for Rs. 2,000.
- 2) Plant and Machinery which cost Rs. 20,000 and in respect of which Rs. 13,000 had been written off as depreciation was sold during the year 2017 for Rs. 3,000.
- 3) The dividend of 2016 was paid during the year 2017.

You are required to prepare :

- 1) A statement of changes in working capital during 2017.
- 2) Fund Flow Statement.

10

3. The following data are available from the records of a company :

Sales : Rs. 1,80,000

Variable cost : Rs. 90,000

Fixed cost : Rs. 45,000

Your are required to :

- a) Calculate the P/v ratio, break-even point and margin of safety.
- b) Calculate the effect of 10% increase in sales price.
- c) Calculate the effect of 10% decrease in sales price.

10

4. A company is expecting to have Rs. 32,000 cash in hand on 1-4-2018 and it requests you to prepare cash budget for three months, April to June 2018. The following information is supplied to you :

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Expenses (Rs.)
February, 2018	70,000	44,000	6,000	5,000
March	80,000	56,000	9,000	6,000
April	96,000	60,000	9,000	7,000
May	1,00,000	68,000	11,000	9,000
June	1,20,000	62,000	14,000	9,000



**Additional Information :**

- 1) Period of credit allowed by supplier is two months.
  - 2) 25% of sales is for cash and the period of credit allowed to customers for credit sales is one month.
  - 3) Delay in payment of wages and expenses one month.
  - 4) Income tax Rs. 28,000 is to be paid in June 2018. 10
  5. With the following ratios and further information given below, complete the Trading Account, Profit and Loss Account and Balance Sheet of Mr. X : 10
- Gross profit = 25%
- Net profit ratio = 20%
- Sales/Inventory ratio = 8
- Fixed Asset/Total current Asset =  $\frac{3}{4}$
- Fixed Asset/Total capital =  $\frac{3}{2}$
- Capital /Total outside liabilities =  $\frac{2}{5}$
- Fixed Assets Rs. 15,00,000
- Closing stock Rs. 2,00,000

**Proforma Trading and Profit and Loss Account**

Particulars	Rs.	Particulars	Rs.
To Cost of sales	.....	By sales	.....
To Gross profit	.....		
<b>Total</b>	.....		.....
To expenses	.....	By Gross profit	.....
To net profit	.....		
<b>Total</b>	.....	<b>Total</b>	.....

**Proforma Balance Sheet**

Liabilities	Rs.	Assets	Rs.
Capital balance	.....	Fixed Assets	.....
Add net profit	.....	Current Assets	.....
Total outside Liabilities	.....	Stock	.....
		Other current assets	.....
<b>Total</b>	.....	<b>Total</b>	.....



6. From the data below, calculate the gearing adjustment required under CCA method :

Particulars	Opening (Rs.)	Closing (Rs.)
Convertible Debentures	1,00,000	1,20,000
Bank overdraft	60,000	80,000
Cash	10,000	30,000
Paid up share capital	1,50,000	2,00,000
Reserves	50,000	80,000
COSA : Rs. 20,000		
MWCA : Rs. 15,000		
Depreciation : Rs. 5,000		
Total of adjustment : Rs. 40,000		

7. Discuss the various methods of evaluating the leasing Proposal. 10

8. Write short note on following : 10

- Indian Accounting Standard 3 5
- Economic value added statement. 5

9. Answer the following : 5

- Financial Accounting V/s Management Accounting. 5
- Contingent liabilities and assets. 5