M.Com. (Semester – I) Examination, November 2018
COC – 113 : 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 consists of **5 compulsory** questions of **2** marks **each**.*
*3) Answer **any five** questions from question **2, 3, 4, 5, 6, 7, 8** and **9**.*
*4) **Each** question carries **10** marks. Figures to the **right** indicate marks.*
5) Present value and Logarithm Tables will be supplied on request.

1. a) Mention any three differences between Managerial Accounting and Financial Accounting. 2

b) Differentiate between Absorption Costing and Marginal Costing. 2

c) What is Zero Based Budgeting ? 2

d) Show the procedure to compute Return on Equity under DuPont analysis. 2

e) Gauri Ltd. has furnished the following data pertaining to its business :

Particulars	**Rs. or Units**
Variable Cost	Rs. 95 per unit
Fixed Overheads	Rs. 20 per unit
Normal Production	10,000 units
Actual Production	8,000 units
Sales	6,000 units
Sale price	140 per unit

Compute the value of Closing Inventory using Absorption Costing Technique. 2

2. A) Define the term "Managerial Accounting. Discuss in brief the significance of Managerial Accounting. 5

B) Discuss in brief any three Indian Accounting Standards (Ind-AS) as per 2014 revision. 5

3. A) What is Financial Statement Analysis ? Discuss any two techniques used to assess the financial position of the company in-terms of Profitability and Liquidity. 5

B) "Cash flow statement dominates funds flow statement". Do you agree ? If so why ? 5

4. A) Explain in brief the importance of Budgetary Control. 5

B) Discuss the significance of Break-even analysis. 5

5. The accountant of Meenakshi Ltd., has reported the following data :

Gross Profit	Rs. 60,000
Gross Profit Margin	20 per cent
Total Assets Turnover	0.30:1
Net Worth to Total Assets	0.90:1
Current Ratio	1.5:1
Liquid Assets to Current Liability	1:1
Credit Sales to Total Sales	0.80:1
Average Collection Period	60 days
Number of Days in a year	360 days

You are required to complete the following :

Balance Sheet of Meenakshi Ltd.

Liabilities	**Rs.**	**Assets**	**Rs.**
Net worth	xxx	Fixed Assets	xxx
Current liabilities	xxx	Stock	xxx
		Debtors	xxx
		Cash	xxx
Total liabilities	**xxx**	**Total Assets**	**xxx**

10

6. The following schedule shows the balance sheet in condensed form of Sanjeev Ltd. at the end of the year 2017. Prepare cash flow statement as per Revised AS-3.

Particulars	**1st January, 2017**	**31st December, 2017**
Assets :		
Cash and bank balance	45,000	45,000
Sundry debtors	33,500	21,500
Temporary investment	55,000	37,000
Prepaid expenses	500	1,000
Stock in trade	41,000	53,000
Land and building	75,000	75,000
Machinery	26,000	35,000
Total	**2,76,000**	**2,67,500**
Liabilities and Capital :		
Sundry creditors	51,500	48,000

Outstanding expenses	6,500	6,000
8% debentures	45,000	35,000
Depreciation fund	20,000	22,000
Reserve for contingencies	30,000	30,000
Profit and loss	8,000	11,500
Capital	1,15,000	1,50,000
Total	**2,76,000**	**2,67,500**

The following information is also available : **10**

i) 10% dividend was paid in cash.

ii) New machinery for Rs. 15,000 was purchased but old Machinery costing Rs. 6,000 was sold for Rs. 2,000 accumulated depreciation was Rs. 3,000.

iii) Rs. 10,000 8% debentures were redeemed by purchase from open market @ Rs. 96 for a debenture of Rs. 100.

iv) Rs. 18,000 investments were sold at book value.

7. Snigdha Ltd. is currently producing 75,000 units and operating at 75 % capacity level. The company is expecting a high demand of the product which needs the company to operate at 85% capacity level. The company has furnished the following estimated data for the month of May 2017 :

Capacity	**65%**	**75%**
Direct Materials (Rs.)	13,00,000	15,00,000
Direct Labor (Rs.)	6,50,000	7,50,000
Factory Overheads (Rs.)	3,30,000	3,50,000
Selling Overheads (Rs.)	3,60,000	4,00,000
Administrative Overheads (Rs.)	1,60,000	1,60,000

Find out The Cost Price per Unit of the product at 85% capacity. **10**

8. A) X Ltd. has been manufacturing shoes for sportspersons. Currently the output is 70 % of its normal capacity of 28,500 units per annum. The selling price is Rs. 315 per unit. The fixed costs are Rs. 17,95,500 per annum at normal capacity and the variable cost per unit is as follows :

Particulars	**Rs.**
Cloth	123
Labor	54
Total	**177**

An exporter has offered to buy 7,500 units at a price of Rs. 225 per unit. If the export order is accepted by the company, compute the total profit or loss of X Ltd. **5**

B) The following data is pertaining to the Raman Pack Ltd.

Particulars	2017 – 18 (Rs.)	2016 – 17 (Rs.)
Share Capital	15,000	15,000
Reserves and Surpluses	33,900	30,420
Unsecured Loan	–	2,850
Gross Fixed Assets	22,112	18,724
Investments	50	50
Provision of Depreciation	2,398	2,058

Increase in Working Capital is Rs. 7,582

Net Profit for the period ended 31st March, 2018 is Rs. 29,980

Cash Dividend paid during the year Rs. 15,000 and Dividend tax paid is Rs. 1,500.

Prepare the Statement of Sources and Uses of funds. 5

9. The following are the Balance Sheets of Devi Company Limited at the end of 2011 and 2012. 10

Liabilities	2017 (Rs.)	2018 (Rs.)	Assets	2017 (Rs.)	2018 (Rs.)
Equity Capital	1,20,000	1,85,000	Fixed Assets	1,40,000	1,95,000
Debt Capital	70,000	95,000	Stock	40,000	45,000
Reserves	30,000	35,000	Debtors	70,000	82,500
Profit and Loss	17,500	20,000	Bills Receivables	20,000	50,000
Bank Overdraft	35,000	45,450	Prepaid Expenses	6,000	8,000
Creditors	25,000	35,000	Cash at Bank	40,000	48,500
Provision for Taxation	15,000	22,500	Cash in Hand	5,000	29,000
Proposed Dividend	8,500	20,050			
	3,21,000	**4,58,000**		**3,21,000**	**4,58,000**

A) Prepare a Comparative Balanace Sheet and also. 5

B) Comment on Liquidity, Solvency, Profitability and Leverage positions of the firm. 5