MCOSC-3.1A

Sl.No. : **Total No. of Pages : 4**

III Semester M.Com. Degree Examination, February- 2024
(SLM Scheme CBCS)
COMMERCE
Course - IV A/C : Advanced Management Accounting

Time : 3 Hours **Max. Marks : 80**

SECTION - A

Answer any four questions. Each question carries five marks. **[4×5=20]**

Q1) Explain the scope of management accounting.

Q2) Outline briefly the need for social accounting.

Q3) Distinguish between full cost method and variable cost method.

Q4) How can management reports help in monitoring and evaluating performance against organizational goals?

Q5) What are the limitations of financial statement analysis as a tool for evaluating company performance?

Q6) Write a short note on appointment of Management Auditor.

SECTION - B

Answer any three questions. Each question carries ten marks. **[3×10=30]**

Q7) Explain the procedure for preparing the comparative Financial Statements. What are the benefits of such statement?

Q8) Discuss in detail fundamental principles of management reporting.

Q9) "Budgetary control is an aid to management and not substitute for management". Do you agree? Why?

Q10) From the figures given below, prepare schedule of changes in working capital and fund flow statement for the year 2023.

Liabilities	31st March 2022	31st March 2023	Assets	31st March 2022	31st March 2023
Equity Share Capital	3,00,000	3,50,000	Fixed assets	5,10,000	6,20,000
Preference Share Capital	2,00,000	1,00,000	Investments	30,000	80,000
Debentures	1,00,000	2,00,000	Current assets	2,40,000	3,75,000
Reserves	1,10,000	2,70,000	Debentures	10,000	5,000
Provisions for doubtful debts	10,000	15,000			
Current liabilities	70,000	1,45,000			
	7,90,000	10,80,000		7,90,000	10,80,000

You are informed that during the year:

a) A machine costing ₹70,000 (book value ₹40,000) was disposed off for ₹25,000

b) Preference share redemption was carried out at a premium of 5%.

c) Dividend at 15% was paid on equity shares for the year 2022.

Further:

i) The provision for depreciation stood at ₹1,50,000 on 31-3-2022 and at ₹1,90,000 on 31-3-2023.

ii) Stock which was valued at ₹90,000 as on 31-3-2022 was written up to its cost ₹1,00,000 for preparing the profit and loss account for 2023.

Q11) Computer cash provided from operations during the year 2023 from the following data:

Particulars	April 1-2022	March 31-2023
Sundry Debtors	30,000	40,000
Sundry creditors	48,000	30,000
Outstanding expenses	3,000	6,000
Outstanding income	1,000	1,000
Stock in trade	55,000	60,000
Prepaid expenses	3,000	2,000
Accumulated depreciation	50,000	60,000
Provision for doubtful debts	1,500	2,000
Dividends payable	-	3,000
Bills receivable	10,000	12,000
Bills payable	8,000	6,000
Net income	-	80,000

SECTION - C

Answer any two questions. Each question carries fifteen marks. **[2×15=30]**

Q12) Define responsibility accounting? Distinguish between profit center and investment center.

Q13) Define Social Accounting. Draw a specimen of Social Income Statement with imaginary figures.

Q14) The Directors of Barucha Enterprises Ltd., ask you to ascertain the following from the following information.

a) Proprietors' funds
b) Fixed assets
c) Closing debtors
d) Closing creditors
e) Closing stock
f) Share capital
g) Cash and bank balances.

1) Inventory turnover ratio is 6 times; year-end debtors are outstanding for 2 months; year-ended creditors are outstanding for 73 days.
2) Ratios of cost of goods sold to
   i) Proprietors funds is 2:1 and
   ii) Fixed assets is 4:1
3) Ratio of gross profit to sales is 20%
4) Closing stock is greater than the opening stock by ₹10,000
5) The gross profit for the year ended 31st march ₹1,20,000.
6) Reserves and surplus appearing in the balance sheet as at 31st March, 2022 total to ₹40,000.

Q15) A company is engaged in manufacturing two product A and B product A uses one unit of component X and two unit of component Y. Product B uses two unit of component X and one unit of component Y and two unit of component Z.

Component Z which is assembled in the factory uses in one unit of component Y. Component X and Y are purchased from the market. The company has prepared the following forecast of sales and inventory for the next year.

Particulars	Product A	Product B
Sales	80,000	1,15,000
Stock at the end of the year	10,000	20,000
Stock at the beginning of the year	30,000	50,000

The production of both the product and assembling of the component Z will be spread out uniformly through the year. The company at present orders its inventory of X and Y in quantities equivalent to 3 months production. The company has compiled the following data related to the two components.

	X	Y
Price per unit (₹)	20	8
Order placing cost per order (₹)	1,500	1,500
Carrying cost per annum	20%	20%

Prepare a budget for production and requirements of components for the next year.

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