MCOSC-3.1A/C

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

III Semester M.Com. Degree Examination, June - 2025
(CBCS, SLM Scheme)
COMMERCE
Course - IV : Advanced Management Accounting

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

SECTION - A

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

Q1) Distinguish between management accounting and cost accounting.

Q2) Write the advantages of ratio analysis.

Q3) What is social cost benefit analysis?

Q4) From the following information, prepare a summarized Balance Sheet as at 31st March, 2024. Your workings should form part of the answer.

a) Working Capital : ₹ 1,20,000
b) Reserves and Surplus : ₹ 80,000
c) Bank Overdraft : ₹ 20,000
d) Fixed Asset : Proprietary Ratio = 0.75
e) Current Ratio = 2.5
f) Liquid Ratio = 1.5

Q5) What are the Comparative Financial Statements? How are they prepared?

Q6) How responsibility accounting is an aid to Management Audit?

SECTION - B

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

Q7) MS Company Ltd. is a leading manufacturer of a certain consumer durable product. The company has two divisions - Engineering and Assembly. The output of the engineering division is transferred to the assembly division for further processing and assembling before being sold to the customer as complete product. Verification of the company's records reveals that the variable cost per unit of the product for engineering and assembly are Rs. 250 and Rs. 300 respectively. The fixed cost of engineering division is Rs. 15,000 and that of the assembly division is Rs. 10,000. The product variable cost per unit of engineering division is Rs. 400, and the total output is 100 units which are sold to customer on completion @ Rs. 2,000 per unit. If the engineering division decides to charge its transfers to assembly division at cost plus 150%, what will be ABC's overall profit and the profits of its two divisions?

Q8) The details given below relate to 60% activity, when the production was 600 units.

Materials : ₹ 120 per unit

Labour : ₹ 50 per unit

Expenses : ₹ 15 per unit

Factory expenses : ₹ 50,000 (40% fixed)

Administration expenses : ₹ 35,000 (60% fixed)

Prepare a flexible budget showing marginal cost and total cost, for 60%, 80% and 100% activity.

Q9) Explain different types of budgets.

Q10) Elucidate the fundamental principles of reporting.

Q11) Explain the general rules and principles of transfer pricing.

SECTION - C

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

Q12) The following are Balance Sheet and Income Statement of X Ltd.

Liabilities	1.1.2023	31.12.2023	Assets	1.1.2023	31.12.2023
Share capital	1,80,000	2,22,000	Fixed Assets:		
Profit & Loss A/c	75,900	81,900	Land	24,000	48,000
Creditors	1,20,000	1,17,000	Building	1,80,000	2,88,000
Outstanding Expenses	12,000	24,000	Current Assets:		
Provision for tax	6,000	6,600	Cash	30,000	36,000
Prov. for Dep. on building	60,000	66,000	Debtors	84,000	93,000
			Stock	1,32,000	48,000
			Advances	3,900	4,500
	4,53,900	5,17,500		4,53,900	5,17,500

Information : Company sold building during the year, cost price of which was Rs. 36,000.

Profit and Loss A/C For year ended 31.3.2023

Particular	Rs.	Particular	Rs.
To Cost of sales	9,90,000	By Net Sales	12,60,000
To Wages & salaries	1,20,000		
To Gross profit c/d	1,50,000		
	12,60,000		12,60,000
To Operating Exp.	40,000	By Gross profit	1,50,000
To Depreciation	30,000	By Profit on sale of Building	6,000
To Provision for tax	44,000		
To Net profit	42,000		
	1,56,000		1,56,000
To proposed Dividend	36,000	By Balance b/d	75,900
To balance Carried to balance sheet	81,900	By Net Profit (transf.)	42,000
	1,17,900		1,17,900

You are required to prepare a cash flow statement.

Q13) Given below are the Balance Sheets of A limited for a period of three years as at 31st March each year (₹ in lakhs).

Liabilities	2021	2022	2023	Assets	2021	2022	2023
Share Capital in equity				Plant and Machinery	45	55	70
shares of ₹ 10 each	30	35	35	Investments	10	15	20
General Reserve	10	15	18	Stocks	12	15	15
Surplus	5	8	9	Debtors	14	15	12
13% Debentures	10	5	10	Cash at Bank	3	6.5	13
Bank Credit	5	10	15				
Trade Creditors	10	12	15				
Income tax Provision							
for the current year	8	11	14				
Proposed Dividends	6	10.5	14				
Total	84	106.5	130	Total	84	106.5	130

Other details :

a) Depreciation provided in the books : 2020-21 : ₹ 6 lakhs
2021-22 : ₹ 8 lakhs
2022-23 : ₹ 10 lakhs

b) A part of the Debentures was converted into equity at par in September 2021.

c) There was no sale of fixed assets during the period.

The management seeks your advice on the liquidity position of the company. You are to prepare the Funds Flow Statement for the purpose.

Q14) Discuss briefly the various components of Interpretation. What are the different techniques used for the analysis and interpretation of financial statements?

Q15) Critically evaluate the need and objectives of social accounting.

