

TILAK MAHARASHTRA VIDYAPEETH, PUNE
MASTER OF COMMERCE (M.COM.)
EXAMINATION : MAY 2022
FIRST SEMESTER
Sub: Management Accounting (MCC-111)

Date: 24/05/2022

Total Marks :60

Time: 2.00 pm to 4.30 pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

Q.1 Answer the following questions. (Attempt any two)

(32)

1. The following are the Balance sheet of XYZ Ltd. for the year 2019 & 2020 prepare a Fund Flow Statement.

Liabilities	2019	2020	Assets	2019	2020
Capital	3,00,000	4,60,000	Fixed Assets	6,30,000	6,90,000
General Reserve	1,50,000	1,80,000	Investment	1,30,000	1,80,000
P & L A/c.	30,000	65,000	Debtors	1,35,000	2,20,000
Term Loan	2,10,000	1,50,000	Stock	1,80,000	2,20,000
Creditors	80,000	1,00,000	Bank Balance	5,000	15,000
Bank O/d	2,50,000	3,00,000	Other advances	25,000	30,000
Other liabilities	85,000	1,00,000			
	11,05,000	13,55,000		11,05,000	13,55,000

- i) Additional capital 1, 60,000 was brought in the year and is eligible for dividend for the full year.
 ii) The propose dividend 85,000 is included in their liabilities.
 iii) Depreciation on fixed assets provided to the extent of 90,000.
2. From the following information related to SUN & Co., choose the best capital structure i.e. the most economical capital structure (figures in lakhs of rupees).

Component	Structure 1	Structure 2	Structure 3
Equity share capital	1000(15%)	1500(16%)	1300(18%)
Preference share capital	200(8%)	300(10%)	300(9%)
Debentures	800(13%)	900(12%)	500(12.5%)
Term loans	1000(14%)	1200(13.5%)	1300(13%)
Fixed Deposits	200(12.5%)	300(11%)	400(12%)

Effective tax rate =30%

3. **With the help of following data for a 50% activity, prepare budget at 75% and 100% activity:**

Production at 50% capacity: 500 units
Materials: Rs.100 per unit
Labour : Rs.50 per unit
Expenses: Rs. 10 per unit
Factory expenses: Rs. 50000(40% fixed)
Administration expenses= Rs. 40000(50% fixed)

4. Estimate the working capital required for the project

Raw Material	80 (p.a.)
Direct Labour	30 (p.a.)
Overheads	<u>60 (p.a.)</u>
Total Cost	170

Level of activity 1,04,000 units :

Raw material in stock 4 weeks
Finished Goods in stock 4 weeks
Credit allowed to debtors 8 weeks
Credit allowed to supplier 4 weeks
Lag in payment of wages 1.5 weeks
Cash at book Rs 25000
Work in progress 2 Weeks

Q.2 Answer the following. (Attempt any one) (08)

1. Disadvantages of Management Accounting
2. Explain the term Working Capital Management
3. **Compute Margin of safety of S Ltd. from the information given below:**

Selling price : Rs. 8 per unit
Variable cost: Rs. 4 per unit
Fixed cost : Rs. 44000
Sales (Current) : 24000 units p.a.

Q.3 Write short notes. (Attempt any two) (10)

1. ABC analysis
2. Management of Working Capital
3. Zero based budgeting
4. Raw Material

Q.4 Select the Correct Alternatives (Attempt Any Ten) (10)

1. _____ represents the level of activity at which sales revenue is equal to total cost.
 - a. Margin of safety
 - b. P/V. ratio
 - c. Contribution
 - d. Break even point
2. _____ per unit is the difference between the selling price of a production or service and its marginal cost.
 - a. Break even point
 - b. Margin of safety
 - c. Contribution
 - d. Fixed cost

3. In IRR, for evaluation of more than 1 project, project with _____ IRR is chosen.
 - a. Higher
 - b. Lower
 - c. Average
 - d. Lowest
4. WACC means _____.
 - a. Weighted Average Cost of Carriage
 - b. Weighted Average Cost of Capital
 - c. Written Average Cost of Capital
 - d. Written Annual Cost of Capital
5. _____ is a written document which carries the information.
 - a. Input
 - b. Report
 - c. Ratios
 - d. Production
6. The process of providing information to the management is known as _____.
 - a. Lower level reporting
 - b. Management reporting
 - c. Written reporting
 - d. Good reporting
7. The objective of _____ is to secure optimum working capital
 - a. Flexible budget
 - b. Zero based budget
 - c. Cash budget
 - d. Production budget
8. A _____ system facilitates delegation of authority.
 - a. Budgetary control
 - b. Marginal costing
 - c. Cost of capital
 - d. Break even point
9. Management accounting serves as a vital source of data for _____.
 - a. Management Planning
 - b. Cost planning
 - c. Accounts planning
 - d. Decision making
10. Current ratio = _____.
 - a. Current assets/current liabilities
 - b. Net profit/sales
 - c. Quick assets/current liabilities
 - d. Gross profit/sales
11. Working capital = _____.
 - a. Working assets(-) working liabilities
 - b. Current assets(-) current liabilities
 - c. Quick assets(-) current liabilities
 - d. Current liabilities/current assets
12. _____ is a statement either prospective or retrospective, setting out the sources and applications of the fund of an enterprise.
 - a. Cash flow statement
 - b. Fund flow statement
 - c. Ratio analysis
 - d. Financial statements
