

**TILAK MAHARASHTRA VIDYAPEETH, PUNE**  
**MASTER OF COMMERCE (M.COM.)**  
**EXAMINATION : DECEMBER - 2023**  
**FIRST SEMESTER**  
**Sub: Management Accounting (MCC-111)**

**Date: 05/12/2023**

**Total Marks: 60**

**Time: 10.00 am to 12.30 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 PQR Ltd. for the year 2022 & 2023 prepare a Fund Flow Statement.

Liabilities	2022	2023	Assets	2022	2023
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			
	<b>11,05,000</b>	<b>13,55,000</b>		<b>11,05,000</b>	<b>13,55,000</b>

- 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. Estimate the working capital required for the project

Raw Material 80 (p.a.)

Direct Labour 30 (p.a.)

Overheads 60 (p.a.)

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

3. From the following information related to XYZ & 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%

4. 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)

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

**(08)**

- Disadvantages of Management Accounting
- Explain the term Working Capital Management
- Compute Margin of safety of Amit 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)**

- Management Planning
- Accounts planning
- Fund flow statement
- P/V ratio

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

**(10)**

- WACC means \_\_\_\_\_.
  - Weighted Average Cost of Carriage
  - Weighted Average Cost of Capital
  - Written Average Cost of Capital
  - Written Annual Cost of Capital

2. \_\_\_\_\_ is a written document which carries the information.
  - a. Input
  - b. Report
  - c. Ratios
  - d. Production
3. The process of providing information to the management is known as \_\_\_\_\_.
  - a. Lower level reporting
  - b. Management reporting
  - c. Written reporting
  - d. Good reporting
4. The objective of \_\_\_\_\_ is to secure optimum working capital
  - a. Flexible budget
  - b. Zero based budget
  - c. Cash budget
  - d. Production budget
5. A \_\_\_\_\_ system facilitates delegation of authority.
  - a. Budgetary control
  - b. Marginal costing
  - c. Cost of capital
  - d. Break even point
6. \_\_\_\_\_ 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
7. \_\_\_\_\_ 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
8. In IRR, for evaluation of more than 1 project, project with \_\_\_\_\_ IRR is chosen.
  - a. Higher
  - b. Lower
  - c. Average
  - d. Lowest
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
  - a. Quick assets/current liabilities
  - b. Net profit/sales
  - c. 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