

B.Com. Semester-V Examination, 2022-23**COMMERCE [Programme]**

Course ID : 51214 Course Code : BCOMP/503/GE-I

Course Title : Management Accounting

Time : 2 Hours

Full Marks : 40

*The figures in the right-hand margin indicate marks.**Candidates are required to give their answers in their own words as far as practicable.*1. Answer any **five** questions of the following:

2×5=10

- What is Balance Sheet Ratio?
- What is Working Capital?
- What is meant by Management Accounting?
- Mention any two advantages of Fund Flow Statement.
- What is Return on Investment?
- Define Liquid Ratio.
- What do you mean by Cash Flow Statement?
- What is Financial Statement Analysis?

2. Answer any **four** questions of the following:

5×4=20

- Discuss the advantages of Management Accounting.
- Why is Fund Flow Statement prepared?
- The following information is given below of a company:

Share capital (2,00,000 Equity share of Rs. 10 each) Rs.20,00,000; General Reserve Rs.15,00,000;

Profit and Loss Account balance Rs.5,00,000; 15% Debentures Rs.30,00,000; profit before tax Rs.14,00,000; Provision for tax Rs.5,00,000.

You are required to calculate: (a) Return on Capital Employed, (b) Return on Net Worth.

- Discuss the advantages of Cash Flow statement.
- Dinesh Ltd. supplies the following information relating to the business, find out: (a) Sales, (b) Sundry Creditors, (c) Sundry Debtors and (d) Closing Stock.
 - Credit period allowed to Debtors - 2 months;

(ii) Stock Turnover ratio 8 times; (iii) Lag in payment to suppliers -1 month; (iv) Gross Profit ratio 25%; (v) opening stock Rs.1,05,000; and (vi) Gross profit at the year end Rs.3,00,000

f) Explain in brief the functions of Management Accounting.

3. Answer any **one** of the following questions:

10×1=10

a) Discuss the limitations of Accounting Ratio in interpreting financial statement.

b) From the following Balance Sheet of C Ltd. Prepare Fund Flow Statement for the year ended 31.12.2022:

Liabilities	2021 (Rs.)	2022 (Rs.)	Assets	2021 (Rs.)	2022 (Rs.)
Equity Share Capital	5,00,000	8,00,000	Land	80,000	1,20,000
Reserve and surplus	50,000	70,000	Plant and Machinery	5,00,000	8,00,000
Profit and Loss A/C	1,00,000	1,60,000	Stock	1,00,000	75,000
Sundry Creditors	1,53,000	1,90,000	Debtors	1,50,000	1,60,000
Bills Payable	40,000	50,000	Cash	20,000	1,20,000
Outstanding Expenses	7,000	5,000			
	8,50,000	12,75,000		8,50,000	12,75,000

Additional Information:

i) A plant costing Rs. 80,000 (WDV Rs. 45,000) was sold at Rs. 25,000.

- ii) Depreciation on Plant and Machinery during the year 2022 amounted to Rs. 70,000
- iii) Tax paid during the year was Rs. 20,000.
