To pay a Current Liability. (a)

To Sell a Motor Car at a slight loss. (b)

To borrow money for a short time on a interest bearing promissory note. (c)

To purchase stock for cash. (d)

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		BIRLEY-CI	process.			

Management Accounting is concerned with of Data

Liquid Ratio is also known as -

Gross capital employed =

Tur

- 9. Issue of Capital for Cash will Working Capital.
- 10. Difference between sales and marginal cost of sales is called -

 $(10 \times 1 = 10 \text{ marks})$

Part II (Short Answer Questions)

Answer any eight out of the ten questions in two or three sentences.

Each question carries 2 marks.

- 11. Define Management Accounting.
- 12. What are Financial Statements?
- 13. What is comparative income statement?
- 14. Following information is available for a Concern:

Current Ratio 3.5, Liquid Ratio 2.5, Working Capital Rs. 1,00,000.

Find the value of:

- (a) Current Assets.
- (b) Current Liabilities.
- (c) Value of Inventory.
- 15. List any four sources fund.
- 16. List any four transactions which results in cash outflow in a business.
- 17. What is contribution?
- 18. What is Angle of Incidence?
- 19. Find the value of current assets when Current Ratio is 2.4 and Working Capital is Rs. 1,40,000.
- 20. From the following calculate Debtors Turnover Ratio:
 - (a) Annual credit sales Rs. 25,000.
 - (b) Returns inwards Rs. 1,000.
 - (c) Debtors Rs. 3,000.
 - (d) Bills receivables Rs. 1,000.

 $(8 \times 2 = 16 \text{ mark})$

Part III (Short Essay Questions)

Answer any six out of the eight questions in about 200 words.

Each question carries 4 marks.

- Discuss the various steps required for the Installation of Management Accounting System in organisation.
- 22. List and explain Financial Statements usually prepared by business organisations.

23. From the following data prepare a Comparative Income Statement and comment on profitability of the concern :

	Particulars			2018	2019
				Rs. in (000)	Rs. in (000)
	et sales		411	785	900
C	ost of goods sold			450	500
	pération expenses :				
	General and adminis	trative expens	es	70	72
	Selling expenses	vocasioni in the series of the		80	90
N	on operating expenses				
	Interest paid		7444	25	30
	Income tax	199	722	70	80
24. Calcul	ate Net Working Capit	al:			
(a)	Current Ratio	1995	2.5		
(b)	Liquid Ratio	***	1.75		
(c)	Stock	3444	Rs. 1,50,000		a analysis of the second

25. Following are the extracts from the Balance Sheet of ABC & Co Ltd. as on 31st December 2015 and 2016. Compute Fund from Operations:

Particulars		2015	2016
3 35 11 35 35 35 35 35 35 35 35 35 35 35 35 35		Rs.	Rs.
Profit and Loss appropriation account	***	45,000	60,000
General reserve	***	30,000	37,500
Goodwill	220	15,000	7,500
Preliminary expenses	222	9,000	6,000
Provision for depreciation on machinery		15,000	18,000
Provision for depreciation and			The same of the sa

- 26. Define Cash Flow Statement and explain different types of cash flows.
- The management of a company finds that while the cost of making a component part is Rs. 15, the same is available in the market at Rs. 13 with an assurance to continuous supply. The cost 27. information for production is as follows:

	Total		15.00
(i) (ii) (iii) (iv)	Fixed expenses	17444	3.00
	Direct labour Other variable expenses	2000	3.00
		. 100	5.50
725	Material	(00)	3.50
			D.S.

Give a suggestion whether to make or buy this part. Give also your views in case the supplier reduces the price form Rs. 13 to Rs. 11.

What is meant by Capital Gearing Ratio? How it is calculated?

 $(6 \times 4 = 24 \text{ marks})$ Turn over

Part IV (Essay Questions)

Answer any two out of the three questions in about 800 words.

Each question earries 15 marks.

29. Management of the ABC Limited considered that product N one of its three main lines is not as profitable as the other two with the result no particular efforts are being made to push its sales. The selling price and cost of the three products are:

Product	Selling	Direct	Direct Labour			
R	Price 70	Material	Dept. X	Dept. Y	Dept. Z	
N	60	12	8	3	3	
v	66	8	3	8	3	
	00	10	3	3	8	

Overhead rates for each department per Rupee of Direct Labour are as follows:

** ***		Dept. X	Dept. Y	Dept. Z
Variable overhead	1.000	1.25	0.50	1.0
Fixed overhead	1,593	1.25	2.0	1.50
Total	***	2.50	2.50	2.50

What advice would give to the management about the Profitability of the Product ? Give Reasons.

- 30. From the following Balance Sheets of Deva Limited as on 31st December 2012 and 2013, prepare:
 - (a) Schedule Of Changes in Working Capital.
 - (b) Fund Flow Statement.

as a succession of the second			Balance S	heet		
Liabilities		2012	2013	Assets	2012	2013
2 2 7 2		Rs.	Rs.		Rs.	Rs.
Sundry creditors	325	10,00,000	10,30,000	Cash	16,00,000	
Bills Payable	222	2,00,000	2,50,000	Sundry debtors	4,00,000	7,40,000
Debentures	***	8,80,000		Stock of goods	6,00,000	6,88,000
Provision for				Land	1,60,000	1,60,000
depreciation	1245	2,00,000	1,12,000	Building	8,00,000	6,40,000
Reserves and surplus	200	6,00,000		Plant and	0,00,000	0,40,000
Share capital	1144	14,00,000	17,40,000	machinery Debenture	6,00,000	6,80,000
				discount	80,000	72,000
				Patents	40,000	36,000
		42,80,000	47,92,000		42,80,000	47,92,000

Additional information:

- (i) Net profit for the year 2013 is-Rs. 4,00,000.
- (ii) Dividend paid-Rs. 80,000
- (iii) Depreciation charged-Rs. 32,000.
- (iv) The company issued equity shares for-Rs. 2,00,000 bonus shares of-Rs. 1,40,000
- (v) A building was sold for—Rs. 56,000 the cost and book value being—Rs. 1,60,000 and Rs. 40,000 respectively.
- 31. What is Management Accounting? Explain the Scope of Management Accounting.

 $(2 \times 15 = 30 \text{ marks})$