

Exam. Code : 108505  
Subject Code : 100438

B.Com. 5<sup>th</sup> Sem. (Batch 2022-25)

MANAGEMENT ACCOUNTING

Paper—BCG-503

Time Allowed—3 Hours]

[Maximum Marks—50

**Note** :— Attempt **FIVE** questions in all, selecting at least **ONE** question from each section. The fifth question may be attempted from any section. All questions carry equal marks.

**SECTION—A**

1. Give scope of management accounting. How is it different from financial accounting ?
2. The following are the ratios relating to the activities of AB Traders Ltd :

Stock velocity = 6 months

Creditors velocity = 2 months

Debtors velocity = 3 months

Gross profit ratio = 25%

Gross Profit for the year ended 31st December 2021 amounts to Rs. 500,000. Closing Stock of the year is Rs. 20,000 above the Opening Stock. Bills Receivable amount to Rs. 30,000 and Bills Payable Rs. 20,000.

Find out :

- (1) Sales
- (2) Closing Stock
- (3) Purchases
- (4) Sundry Creditors
- (5) Sundry Debtors.

### SECTION—B

3. What is Fund Flow Statement ? How is it prepared ? How is it different from Cash Flow Statement ?
4. Given below are the comparative Balance Sheets of a company as on 31<sup>st</sup> December 2017 and 2018 :

	2017 (Rs.)	2018 (Rs.)
<b>Liabilities</b>		
Equity Share Capital	100,000	125,000
General Reserve	25,000	30,000
Bank Loan (Long Term)	35,000	—
Sundry Creditors	75,000	67,600
Provision for taxation	15,000	17,500
Surplus account	15,250	15,300
	<b>265,250</b>	<b>255,400</b>

	2017 (Rs.)	2018 (Rs.)
<b>Assets</b>		
Plant and Machinery	75,000	85,500
Land and Building	100,000	95,000
Stock	50,000	37,000
Debtors	40,000	32,100
Cash in hand	250	300
Cash at bank	—	4,000
Goodwill at cost	—	1,500
	<b>265,250</b>	<b>255,400</b>

**Additional information :**

During the year ended 31<sup>st</sup> December, 2018 :

- (1) Dividend of Rs. 11,500 was paid.
- (2) Depreciation charged on Land and Building Rs. 5,000.
- (3) Machinery was further purchased for Rs. 19,000.
- (4) Depreciation written off on machinery Rs. 6,000.
- (5) Income tax paid during the year Rs. 16,500.
- (6) Loss on sale of machinery Rs. 100 was written off to General Reserve.

Prepare a Cash Flow Statement.

### SECTION—C

5. What is CVP Analysis ? Discuss various tools of CVP Analysis.
6. From the following data plot a break even chart showing :
- Break-even point
  - Margin of safety and profit
  - Number of units to be sold for a profit of Rs. 2000.

	Rs.
Selling price	5 per unit
Variable cost	3 per unit
Fixed cost	3000

Total number of units sold = 2000 units.

Show mathematical computations to verify your calculations.

### SECTION—D

7. What is Transfer Pricing ? Explain various methods of transfer pricing.
8. Write notes on :
- Activity Based Costing.
  - Responsibility Centers.