

## MCA-14 Management Accounting

### SET : 1

#### Section-A

(Very Short Answer Questions)

1. (i) What are limitations of Accounting?
- (ii) Explain the purpose of Balance Sheet?
- (iii) What are objectives of Ratio Analysis?
- (iv) What is Cash Flow statement?
- (v) How would you calculate Capital Gearing?
- (vi) What are Controllable and Non-Controllable costs?
- (vii) Explain purpose of Budget?
- (viii) What is the function of Master Budget?
- (ix) Give three applications of Marginal Costing?
- (x) What is Negative Working Capital?

#### Section-B

(Short Answer Questions)

2. Explain Ledger and its classification.
3. Prepare a double column cash book from the following:  
January 1 Opening Balance Rs. 11,000  
January 2 Goods sold to Ram Rs. 3,000 and received half the amount in cash after allowing 5% discount  
January 6 purchased for cash Rs. 2,700  
January 9 cash received by sale of machinery Rs. 3,000  
January 15 paid to Madhu Rs. 180 and received discount of Rs. 20  
January 17 received for cash sales Rs. 2,000
4. Explain Annual Report.
5. From the following information calculate (i) Gross profit Ratio, (ii) Return on Investment, (iii) Current Ratio, (iv) Stock Turnover, (v) Assets Turnover, (vi) EPS

Share Capital:	10,000 equity shares of Rs. 10 each
Sales:	Rs.12,00,000
Inventory:	Rs. 50,000
Current Assets;	Rs. 1,50,000
Current Liabilities:	Rs. 90,000
Profit after Tax	Rs. 1,20,000
Cost of goods sold:	Rs. 7,00,000

Fixed Assets                      Rs. 2,50,000

Tax                                      Rs. 80,000

6. What are the limitations of ratio analysis?
7. Explain meaning of Cost Sheet. Why it is prepared?
8. Explain use of Marginal Costing.
9. What is Break Even Analysis? Explain its utilities.

### Section-C

(Long Answer Questions)

10. The following is the Trial Balance of Sri B. Deka as on 31.3.2004. You are required to prepare a Trading and Profit and Loss Account for the year ended 31.3.2000 and a Balance sheet as at that date.

Debit	Rs.	Credit	Rs.
Stock on 1.4.03	3,000	Sales	78,000
Purchases	50,000	Purchases Return	1,900
Carriage	400	Creditors	12,000
Sales Returns	600	Capital	14,300
Wages & Salaries	7,800	Bills Payable	8,000
Rent	1,800	Sundry Receipts	800
Discount	1,000		
Repairs	300		
Sundry Expenses	1,000		
Cash in hand	3,000		
Furniture	8,000		
Debtors	30,600		
Drawings	6,000		
Taxes & Insurance	1,500		
	<b><u>1,15,000</u></b>		<b><u>1,15,000</u></b>

The following adjustments are to be made

- (i) Closing Stock on 31.3.2004 Rs. 11,000
- (ii) Furniture to be depreciated by 10% p.a.
- (iii) Rent includes Rs.200 paid in advance
- (iv) Wages outstanding Rs. 400.

11. From the following information make out a statement of Proprietors fund with as many details as possible:

· Current ratio 2.5

· Liquid ratio 1.5

§ Proprietary ratio( Fixed assets / Proprietary funds) 0.75

§ Working capital Rs. 60,000

§ Reserves & Surplus Rs. 40,000

§ Bank Over draft Rs. 10,000

§ There is no long term loan or fictitious assets

12. Define cost centre. What are the different types of cost centres?

13. What are the Determinants of Working Capital Requirement?

## MCA-14 Management Accounting

SET : 2

### Section-A

(Very Short Answer Questions)

1. (i) What is definition of Accounting?
- (ii) The receiver of the benefit is called ?
- (iii) What is General Ledger ?
- (iv) Write the name of financial statements ?
- (v) How would you calculate Gross Profit ?
- (vi) Write the name of items including in annual report ?
- (vii) Balance sheet is also known as \_\_\_\_\_ statement?
- (viii) What is Ratio Analysis ?
- (ix) What is the meaning of Cash Flow Statement ?
- (x) What is Cost of Capital?

### Section-B

(Short Answer Questions)

2. List out the items of assets and liabilities in the order of liquidity.
3. From the following particulars, prepare a Profit & Loss Account of M/s Jiban & Sons for the year ending 31st March, 2014 :

Particulars Rs.

Particulars Rs.

Gross Profit 3,62,000

Discount allowed 2,000

Trade Expenses 2,000

Lighting 780

Carriage on Sales 10,000

Commission Received 840

Office Salaries 65,800

Bad-debts 1,200

Postage and Telegram 820

Discount (Cr.) 700

Office Rent 8,500

Interest on Loan 2,200

Legal Charges 400

Wages (Unproductive) 1,400

Audit fee 1,600

Export Duty 2,300

Donation 1,100

Miscellaneous Receipts 500

Sundry Expenses 360

Advertisement 4,100

Selling Expenses 5,320

Travelling Expenses 2,500

4. Explain any three.

- (i) Debt-Equity Ratio, (ii) Capital Gearing ratio, (iii) Debt- service Ratio,
- (iv) Total Debt –Equity Ratio.

5. What is Cash flow ? Explain the utility of cash flow statement.?

6. A Firm intends to produce 24,000 units of an item during the next year. The

cost structure per unit is as follows :

Raw Material Rs.25; WagesRs. 25; Expenses Rs. 20; Selling Price Rs.100. The Operating cycle will be: Raw material storage period on average 2months; Work-in-progress will take a period of 1 month; Finished goods will be in store for 1 months; Credit period allowed by suppliers is 2 months and allowed to debtors is 3 months. Calculate the amount of working capital required.

7. Define 'cost'. What are the elements of cost?
8. Define Budget and Budgeting? How is a cash budget prepared?.
9. Explain the meaning of Capital, Capital Structure and Financial Structure.?

### Section-C

(Long Answer Questions)

10. Following is the extract of the Trial Balance of M/s Sailee & Co as on 31.3.2014.

Particulars	Debit	Credit.
Rs	Rs	
Stock on 1.4.07	2000	
Carriage on Sales	200	
Purchases	7000	
Discount	100	200
Sales		12000
Purchase returns		200
Octroi duty	50	
Returns inward	300	
Productive wages	1500	
Freight	200	
Excise Duty	100	
Coal, gas and water	150	
Salaries	500	
Trade Expenses	100	

Additional information :

- (i) Stock on 31.3.2008 Rs. 1500
- (ii) Outstanding wages 50
- (iii) Goods taken by Ram for Personal Use 100

Prepare the Trading Account of the firm for the year ended 31. 3. 2008.

11. What is standard Cost and standard costing? What are the several types of standards?
12. Define cost centre. What are the different types of cost centres?
13. What are the Determinants of Working Capital Requirement?