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Reg. No.

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V Semester B. Voc. Degree Examination, March - 2021

RETAIL MANAGEMENT

Management Accounting

(CBCS - Freshers 2018-19 &amp; Onwards)

Paper : 5.2

Time : 3 Hours

Maximum Marks : 70

**Instructions to Candidates:**

- 1) Answer **All** sections.
- 2) Answer in **English** only.

**SECTION - A**Answer any **Five** of the following. Each sub-question carries **2** marks. (5×2=10)

1.
  - a) Define Management Accounting.
  - b) What is Cashflow Statement?
  - c) Mention any 4 tools and techniques of Management Accounting.
  - d) What is Cash Budget?
  - e) Given Stock turnover ratio is 5 times, average stock - 20,000, Rate of Gross Profit on sales is 20% calculate Sales and Gross Profit.
  - f) How do you treat proposed dividend while preparing funds flow statement.
  - g) What is Current Ratio?

**SECTION - B**Answer any **Three** of the following. Each question carries **6** marks. (3×6=18)

2. Distinguish between Cost Accounting and Management Accounting.
3. From the following calculate Quick ratio, stock turnover ratio, Debt equity ratio .

Current Assets	Rs. 6,00,000.
Opening Stock	Rs. 60,000.
Closing Stock	Rs. 1,60,000.
COGS	Rs. 23,00,000.
Equity Share Capital	Rs. 8,00,000.
Preference Share Capital	Rs. 3,00,000.
12% Debentures	Rs. 3,00,000.
Current Liability	Rs. 3,00,000.
General Reserve	Rs. 2,00,000.

[P.T.O.]



4. From the following calculate funds from operations:

Balance of Profit & Loss A/c	Rs.	50,000.
Depreciation.	Rs.	10,000.
Preliminary expenses written off	Rs.	5000.
Amount transferred to General Reserve	Rs.	15,000.
A plant having book value of	Rs.	60,000.
Sold for	Rs.	65,000.
Interim Dividend Paid	Rs.	10,000.

5. With the following data for a 60% activity, Prepare a Flexible Budget for production at 80% and 100% capacity:

Production at 60% activity	—	600.	Units.
Materials	Rs.	100.	Per Unit.
Labour	Rs.	40.	Per Unit.
Direct expenses	Rs.	10.	Per Unit.
Factory Overheads	Rs.	40,000.	(40%fixed).
Administration expenses	Rs.	30,000.	(60%fixed).

6. From the following prepare schedule of changes in working capital.

Particulars.	2019	2020
Debtors	29,800	35,400
Stock	98,400	85,400
Cash at Bank	18,000	15,600
Creditors	20,720	23,680
Provision for Doubtful Debts	1,400	1,600
Goodwill	20,000	10,000



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## SECTION - C

Answer any **Three** of the following. Each question carries **14** marks.

(3×14=42)

7. From the following Balance-Sheets of Gupta & Co. you are required to prepare funds flow statement.

Liabilities	01.01.2019	31.12.2019	Assets	01.01.2019	31.12.2019
Share Capital	90,000	1,00,000	Goodwill	12,000	10,000
General Reserve	14,000	18,000	Buildings	40,000	36,000
P&L A/c.	19,500	12,000	Machinery	37,000	36,000
Provision for Tax	16,000	17,000	Stock	30,000	25,400
Creditors	8,000	5,400	Debtors	20,000	22,200
Bills Payable	6,200	1,300	Cash at Bank	6,600	15,200
Provision for doubtful debts	1,900	2,100	Investments	10,000	11,000
	<b>1,55,600</b>	<b>1,55,800</b>		<b>1,55,600</b>	<b>1,55,800</b>

**Additional information:**

- Depreciation charged on machinery was Rs.4,000 and on Building Rs. 4,000.
- Interim Dividend paid during the year was Rs. 7,500.
- Provision of Rs. 5,000 was made for taxation during the year.

8. Debtors Velocity                      3 Months.  
Creditors Velocity                      2 Months.  
Stock Velocity                            8 Months.

G/P ratio 25% , Gross profit 4,00,000

Bills Receivable - 25,000, Bills Payable - 10,000

Closing Stock is 10,000 more than opening stock find out Sales, Debtors, Closing Stock, Creditors.

[P.T.O.]



9. From the following Balance sheets of Triveni Ltd. prepare cash flow statement as per AS-3

Liabilities	2019	2020	Assets	2019	2020
Share Capital	4,50,000	4,50,000	Fixed Assets	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
P&L A/c.	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provision for Tax	75,000	10,000	Bank	1,49,000	1,97,000
Bills Payable	-	2,70,000			
	<b>10,49,000</b>	<b>12,42,000</b>		<b>10,49,000</b>	<b>12,42,000</b>

**Additional Information :**

- Investments costing Rs.8,000 were sold for Rs. 8,500.
  - Provision for tax made during the year was Rs. 9,000.
  - During the year 2020, a part of fixed assets having book value of Rs 10,000 were sold for Rs.12,000.
  - Dividend paid during the year amounted to Rs.40,000.
10. A company is expecting to have Rs. 60,000 cash in hand on 1<sup>st</sup> sep 2019 prepare a Cash Budget for 3 months Sep.-Nov. The following information is available:

Months	Purchases	Sales	Wages	Overhead
July	54,000	80,000	12,000	10,000
August	66,000	90,000	18,000	12,000
September	70,000	1,06,000	18,000	14,000
October	78,000	1,10,000	22,000	9,000
November	72,000	1,30,000	28,000	9,000

**Other Information :**

- Delay in payment of wages and overhead - 1 Month.
  - Period of credit allowed by suppliers - 2 Months.
  - 30% of sales is for cash and credit allowed to customers is 1 month for credit sales.
  - Tax of Rs. 35,000 to be paid in November.
11. Explain the scope of Management Accounting.