

# PC-13586/NJ

E-40/2111

MANAGEMENT ACCOUNTING-I

Paper-501

(Semester-V)

Time : Three Hours]

[Maximum Marks : 70

**Note :** Attempt *two* questions each from Section A & B carrying 10 marks each. Attempt any *ten* short answer type questions from Section C carrying 3 marks each.

## SECTION—A

- I. “Management Accounting is concerned with accounting information which is useful to management.” Comment.
- II. Discuss the limitations of financial statements of a Business enterprise.
- III. From the following particulars extracted from the books of Ashok & Co. Ltd., compute the following ratios and comment:  
  
(a) Current ratio, (b) Acid Test Ratio, (c) Stock-Turnover Ratio, (d) Debtors Turnover Ratio, (e) Creditors' Turnover Ratio, and Average Debt Collection period :

|                  | 1.1.2002<br>₹ | 31.12.2002<br>₹ |
|------------------|---------------|-----------------|
| Bills Receivable | 30,000        | 60,000          |
| Bills Payable    | 60,000        | 30,000          |
| Sundry Debtors   | 1,20,000      | 1,50,000        |
| Sundry Creditors | 75,000        | 1,05,000        |
| Stock-in-trade   | 96,000        | 1,44,000        |

*Additional information :*

- (a) On 31.12.2002, there were assets : Building ₹ 2,00,000, Cash ₹ 1,20,000 and Cash at Bank ₹ 96,000.
- (b) Cash purchases ₹ 1,38,000 and Purchases Returns were ₹ 18,000.
- (c) Cash sales ₹ 1,50,000 and Sales returns were ₹ 6,000.  
Rate of gross profit 25% on sales and actual gross profit was ₹ 1,50,000.

IV. Following are the liabilities and assets of Growell Ltd. as on 31st March, 2013 and 2014 :

| Liabilities            | 2013<br>₹       | 2014<br>₹       |
|------------------------|-----------------|-----------------|
| Share Capital          | 2,00,000        | 2,50,000        |
| General Reserve        | 50,000          | 60,000          |
| Surplus A/c            | 30,500          | 30,600          |
| Bank Loan (long term)  | 70,000          | —               |
| Sundry Creditors       | 1,50,000        | 1,35,200        |
| Provision for Taxation | 30,000          | 35,000          |
|                        | <u>5,30,500</u> | <u>5,10,800</u> |

| Assets            | 2013<br>₹ | 2014<br>₹ |
|-------------------|-----------|-----------|
| Land and Building | 2,00,000  | 1,90,000  |
| Machinery         | 1,50,000  | 1,69,000  |
| Stock             | 1,00,000  | 74,000    |
| Sundry Debtors    | 80,000    | 64,200    |
| Cash              | 500       | 800       |
| Bank              | —         | 7,800     |
| Goodwill          | —         | 5,000     |
|                   | 5,30,500  | 5,10,800  |

*Additional Information :*

During the year ended 31st March, 2014 :

(i) Dividend of ₹ 23,000 was paid; (ii) Assets of another company were purchased for a consideration of ₹ 50,000 payable in shares. Following assets were purchased : Stock ₹ 20,000; Machinery : ₹ 25,000; (iii) Machinery was further purchased for ₹ 8,000; (iv) Depreciation written off on machinery ₹ 12,000; and (v) Income-tax provided during the year ₹ 33,000; and loss on the sale of machinery ₹ 200 was written off to general reserve.

You are required to make the statements of Funds Flow.

### SECTION—B

V. Presented below are revenue and expense data for the XYZ company :

|                              | 2014<br>₹ | 2013<br>₹ |
|------------------------------|-----------|-----------|
| Sales                        | 8,16,000  | 6,56,500  |
| Sales Returns and Allowances | 16,000    | 6,500     |
| Cost of goods sold           | 4,00,000  | 3,12,000  |
| Selling Expenses             | 2,00,000  | 1,30,000  |
| General Expenses             | 1,20,000  | 78,000    |
| Miscellaneous Income         | 6,400     | 6,500     |
| Income Tax                   | 32,000    | 67,600    |

You are required to prepare a comparative statement for the year 2014 and 2013 for the company. Also comment on the relationships revealed in the comparative income statement.

- VI. Ratio analysis is a tool to examine the health of a business with a view to make the financial results more intelligible. Explain.
- VII. The Balance Sheet of Punjab Auto Limited as on 31.12.2002 was as follows :

| Particular           | ₹               | Particular               | ₹               |
|----------------------|-----------------|--------------------------|-----------------|
| Equity Share Capital | 40,000          | Plant & Machinery        | 24,000          |
| Capital Reserve      | 8,000           | Land & Buildings         | 40,000          |
| 8% Loan on Mortgage  | 32,000          | Furniture & Fixtures     | 16,000          |
| Creditors            | 16,000          | Stock                    | 12,000          |
| Bank overdraft       | 4,000           | Debtors                  | 12,000          |
| Taxation :           |                 | Investments (Short-term) | 4,000           |
| Current              | 4,000           | Cash in hand             | 12,000          |
| Future               | 4,000           |                          |                 |
| Profit & Loss A/c    | 12,000          |                          |                 |
|                      | <u>1,20,000</u> |                          | <u>1,20,000</u> |

From the above, compute (a) the Current Ratio, (b) Quick Ratio, (c) Debt-Equity Ratio, and (d) Proprietary Ratio.

- VIII. Discuss the matters which you will keep in mind while reporting to board of directors.

**SECTION—C**  
**(Compulsory Question)**

- IX. Write short notes on any *ten* :

1. Reporting to Management.
2. Comparative Statement.
3. Trend Analysis.
4. Ratio.
5. Profitability Ratio.
6. Nature of Management Accounting.
7. Role of Management Accounting.
8. Schedule of changes in working capital.
9. Funds from operations.
10. Cash flow statement.
11. Cash flow from financing activities.
12. Financial statement analysis.

## PUNJABI VERSION

ਨੋਟ : ਭਾਗ A ਅਤੇ B ਵਿਚੋਂ ਦੋ-ਦੋ ਪ੍ਰਸ਼ਨ ਕਰੋ। ਹਰੇਕ ਪ੍ਰਸ਼ਨ ਦੇ 10 ਅੰਕ ਹਨ। ਭਾਗ C ਵਿਚਲੇ ਕੋਈ ਦਸ ਸੰਖੇਪ ਉੱਤਰ ਵਾਲੇ ਪ੍ਰਸ਼ਨ ਕਰੋ। ਹਰੇਕ ਪ੍ਰਸ਼ਨ ਦੇ 3 ਅੰਕ ਹਨ।

### ਭਾਗ—A

- I. “ਪ੍ਰਬੰਧਕੀ ਲੇਖਾਕਾਰੀ ਅਜਿਹੀ ਲੇਖਾਕਾਰੀ ਸੂਚਨਾ ਨਾਲ ਸਬੰਧਿਤ ਹੁੰਦੀ ਹੈ, ਜਿਹੜੀ ਪ੍ਰਬੰਧਕਾਂ ਲਈ ਲਾਭਕਾਰੀ ਹੁੰਦੀ ਹੈ।” ਚਰਚਾ ਕਰੋ।
- II. ਕਿਸੇ ਵਪਾਰਕ ਅਦਾਰੇ ਦੇ ਵਿੱਤੀ ਚਿੱਠਿਆਂ ਦੀਆਂ ਸੀਮਾਵਾਂ ਵਿਚਾਰੋ।
- III. ਨਿਮਨ-ਦਰਜ ਵੇਰਵਿਆਂ ਦਾ ਅਧਿਐਨ ਕਰਕੇ ਲੋੜੀਂਦੀ ਕਾਰਵਾਈ ਕਰੋ :

From the following particulars extracted from the books of Ashok & Co. Ltd., compute the following ratios and comment:

(a) Current ratio, (b) Acid Test Ratio, (c) Stock-Turnover Ratio, (d) Debtors Turnover Ratio, (e) Creditors' Turnover Ratio, and Average Debt Collection period :

|                  | 1.1.2002<br>₹ | 31.12.2002<br>₹ |
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| Bills Receivable | 30,000        | 60,000          |
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*Additional information :*

- (a) On 31.12.2002, there were assets : Building ₹ 2,00,000, Cash ₹ 1,20,000 and Cash at Bank ₹ 96,000.

- (b) Cash purchases ₹ 1,38,000 and Purchases Returns were ₹ 18,000.
- (c) Cash sales ₹ 1,50,000 and Sales returns were ₹ 6,000.  
Rate of gross profit 25% on sales and actual gross profit was ₹ 1,50,000.

IV. ਨਿਮਨ-ਦਰਜ ਵੇਰਵੇ ਪੜ੍ਹ ਕੇ ਪੁਛੇ ਗਏ ਪ੍ਰਸ਼ਨਾਂ ਦੇ ਉੱਤਰ ਲਿਖੋ:

Following are the liabilities and assets of Growell Ltd. as on 31st March, 2013 and 2014 :

| Liabilities            | 2013<br>₹       | 2014<br>₹       |
|------------------------|-----------------|-----------------|
| Share Capital          | 2,00,000        | 2,50,000        |
| General Reserve        | 50,000          | 60,000          |
| Surplus A/c            | 30,500          | 30,600          |
| Bank Loan (long term)  | 70,000          | —               |
| Sundry Creditors       | 1,50,000        | 1,35,200        |
| Provision for Taxation | 30,000          | 35,000          |
|                        | <u>5,30,500</u> | <u>5,10,800</u> |
| Assets                 | 2013<br>₹       | 2014<br>₹       |
| Land and Building      | 2,00,000        | 1,90,000        |
| Machinery              | 1,50,000        | 1,69,000        |
| Stock                  | 1,00,000        | 74,000          |
| Sundry Debtors         | 80,000          | 64,200          |
| Cash                   | 500             | 800             |
| Bank                   | —               | 7,800           |
| Goodwill               | —               | 5,000           |
|                        | <u>5,30,500</u> | <u>5,10,800</u> |

*Additional Information :*

During the year ended 31st March, 2014 :

(i) Dividend of ₹ 23,000 was paid; (ii) Assets of another company were purchased for a consideration of ₹ 50,000 payable in shares. Following assets were purchased : Stock ₹ 20,000; Machinery : ₹ 25,000; (iii) Machinery was further purchased for ₹ 8,000; (iv) Depreciation written off on machinery ₹ 12,000; and (v) Income-tax provided during the year ₹ 33,000; and loss on the sale of machinery ₹ 200 was written off to general reserve.

You are required to make the statements of Funds Flow.

**ਭਾਗ—B**

V. ਨਿਮਨ-ਦਰਜ਼ ਵੇਰਵਿਆਂ ਦਾ ਅਧਿਐਨ ਕਰਕੇ ਲੋੜੀਂਦੀ ਕਾਰਵਾਈ ਕਰੋ :

Presented below are revenue and expense data for the XYZ company :

|                              | 2014<br>₹ | 2013<br>₹ |
|------------------------------|-----------|-----------|
| Sales                        | 8,16,000  | 6,56,500  |
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| Selling Expenses             | 2,00,000  | 1,30,000  |
| General Expenses             | 1,20,000  | 78,000    |
| Miscellaneous Income         | 6,400     | 6,500     |
| Income Tax                   | 32,000    | 67,600    |



You are required to prepare a comparative statement for the year 2014 and 2013 for the company. Also comment on the relationships revealed in the comparative income statement.

VI. ‘ਅਨੁਪਾਤ ਵਿਸ਼ਲੇਸ਼ਣ ਕਿਸੇ ਵਪਾਰ ਦੀ ਸਿਹਤ ਜਾਣਨ ਦਾ ਸੰਦ ਹੁੰਦਾ ਹੈ ਜਿਸ ਨਾਲ ਵਿੱਤੀ ਨਤੀਜੇ ਸੋਖਿਆ ਸਮਝ ਵਿਚ ਆ ਜਾਂਦੇ ਹਨ।’ ਸਪਸ਼ਟ ਕਰੋ।

VII. ਨਿਮਨ-ਦਰਜ ਵੇਰਵੇ ਪੜ੍ਹ ਕੇ ਲੋੜੀਂਦੀ ਕਾਰਵਾਈ ਕਰੋ :

The Balance Sheet of Punjab Auto Limited as on 31.12.2002 was as follows :

| Particular           | ₹               | Particular               | ₹               |
|----------------------|-----------------|--------------------------|-----------------|
| Equity Share Capital | 40,000          | Plant & Machinery        | 24,000          |
| Capital Reserve      | 8,000           | Land & Buildings         | 40,000          |
| 8% Loan on Mortgage  | 32,000          | Furniture & Fixtures     | 16,000          |
| Creditors            | 16,000          | Stock                    | 12,000          |
| Bank overdraft       | 4,000           | Debtors                  | 12,000          |
| Taxation :           |                 | Investments (Short-term) | 4,000           |
| Current              | 4,000           | Cash in hand             | 12,000          |
| Future               | 4,000           |                          |                 |
| Profit & Loss A/c    | 12,000          |                          |                 |
|                      | <u>1,20,000</u> |                          | <u>1,20,000</u> |

From the above, compute (a) the Current Ratio, (b) Quick Ratio, (c) Debt-Equity Ratio, and (d) Proprietary Ratio.

VIII. ਬੋਰਡ ਦੇ ਡਾਇਰੈਕਟਰਾਂ ਨੂੰ ਰਿਪੋਰਟ ਕਰਨ ਲਈ ਤੁਸੀਂ ਕਿਹੜੇ ਮਸਲੇ ਮਨ ਵਿਚ ਯਾਦ ਰਖੋਗੇ? ਸਪਸ਼ਟ ਕਰੋ।

**ਭਾਗ—C**  
**(ਲਾਜ਼ਮੀ ਪ੍ਰਸ਼ਨ)**

- IX. ਕਿਸੇ ਦਸ 'ਤੇ ਸੰਖੇਪ ਨੋਟ ਲਿਖੋ :
1. ਪ੍ਰਬੰਧਕਾਂ ਪ੍ਰਤੀ ਰਿਪੋਰਟਿੰਗ ਦੇ ਅਰਥ ਲਿਖੋ।
  2. ਤੁਲਨਾਤਮਕ ਚਿੱਠਾ ਕੀ ਹੁੰਦਾ ਹੈ?
  3. ਪ੍ਰਵਿਰਤੀ ਵਿਸ਼ਲੇਸ਼ਣ ਕੀ ਹੁੰਦਾ ਹੈ?
  4. ਅਨੁਪਾਤ ਤੋਂ ਕੀ ਭਾਵ ਹੈ?
  5. ਲਾਭ ਯੋਗਤਾ ਦਾ ਅਨੁਪਾਤ ਵਿਚਾਰੋ।
  6. ਪ੍ਰਬੰਧਕੀ ਲੇਖਾਕਾਰੀ ਦੀ ਪ੍ਰਕਿਰਤੀ ਵਿਚਾਰੋ।
  7. ਪ੍ਰਬੰਧਕੀ ਲੇਖਾਕਾਰੀ ਦੀ ਭੂਮਿਕਾ ਵਿਚਾਰੋ।
  8. ਕਾਰਜੀ ਪੂੰਜੀ ਵਿਚ ਪਰਿਵਰਤਨਾਂ ਦੀ ਸਮਾਂ-ਸਾਰਣੀ ਕੀ ਹੁੰਦੀ ਹੈ?
  9. ਉਪਰੇਸ਼ਨਾਂ ਤੋਂ ਪ੍ਰਾਪਤ ਫੰਡਸ ਕੀ ਹੁੰਦੇ ਹਨ?
  10. ਕੈਸ਼ ਫਲੋ ਸਟੇਟਮੈਂਟ ਕੀ ਹੁੰਦਾ ਹੈ?
  11. ਵਿੱਤੀ ਕਾਰਜਾਂ ਤੋਂ ਕੈਸ਼ ਫਲੋ ਵਿਚਾਰੋ।
  12. ਵਿੱਤੀ ਚਿੱਠੇ ਦਾ ਵਿਸ਼ਲੇਸ਼ਣ ਵਿਚਾਰੋ।
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