



Reg. No. :

Name :

Final Year B.Com. Degree Examination, April 2018
Part – III
Paper – XIV : MANAGEMENT ACCOUNTING
(2006 Admission Onwards)

Time : 3 Hours

Max. Marks : 100

SECTION – A

Answer **any ten** questions. **Each** question carries **2** marks.

1. What is financial analysis ?
2. What do you mean by ROI ?
3. What is leverage ratio ?
4. What are the various sources of funds ?
5. What are the uses of preparing cash flow statement ?
6. What do you mean by EPS ?
7. What is Du-pont control chart ?
8. What is Tally ?
9. What is performance budgeting ?
10. What is the behaviour of fixed cost ?
11. What is budget manual ?
12. What do you mean by functional budget ?

(10×2=20 Marks)

SECTION – B

Answer **any eight** questions. **Each** question carries **5** marks.

13. What are the limitations of financial statements ?
14. Distinguish between inter firm and intra firm comparison of financial statements.
15. Distinguish between management accounting and cost accounting.
16. Distinguish between fixed and flexible budgets.
17. What are the important advantages of standard costing in decision making ?

P.T.O.



18. Briefly explain the important merits and demerits of zero base budgeting.
19. Calculate quick ratio from the information given as such.

	Rs.		Rs.
Bank loan	1,00,000	Sundry debtors :	72,000
Creditors	1,50,000	less provision for	
Bills payable	20,000	doubtful debts	2,000
Creditors for expenses	10,000	Stock in trade	1,35,000
6% debentures	2,00,000	Cash in hand	15,000
Plant and machinery	3,00,000	Cash at Bank	1,10,000
		Short term investment	1,50,000
		Prepaid insurance	5,000

20. From the following particulars, you are required to calculate break even point and net sales value at this point.

	Rs.
Direct material cost per unit	10
Direct labour cost per unit	5
Fixed overhead	50,000
Variable overheads @ 60% on direct labour	
Selling price per unit	Rs. 25
Trade discount	4%

21. From the following data, calculate :

- i) Material cost variance
- ii) Material price variance
- iii) Material usage variance

The standard quantity of material required for producing one ton of output is 40 units. Standard price per unit of material is Rs. 3. During a particular period, 90 tons of output was undertaken. The material required for actual production were 4000 units. An amount of Rs. 14,000 was spend on purchasing the material.

22. From the following profit and loss account, compute the funds from operations.

Profit and Loss Account			
	Rs.		Rs.
To Salaries	5,000	By Gross profit B/d	1,000
To Rent	2,000	By Discount	5,000
To Depreciation	1,000	By interest on investment	4,000
To Preliminary expenses	2,000	By Net loss	5,000
To Loss on sale of land	5,000		
	15,000		15,000

23. The sales director of a manufacturing company reports that next year he expects to sell 40000 units of a particular product. The production department gives the following figures. Two kinds of raw material A and B are required for manufacturing the product. Each product requires 3 units of material A and 2 units of material B. The estimated opening balances next year will be :

Finished products – 10000 units

Material A – 12000 units

Material B – 15000 units

The desired closing balances at the end of year are

Finished products – 16000 units

Material A – 14000 units

Material B – 15000 units

Prepare a materials purchase budget.

24. From the following information, calculate operating profit ratio.

Cost of goods sold = Rs. 4,00,000

Administrative and office expenses = 35,000

Selling and distribution expenses = 45,000

Net sales = Rs. 6,00,000

(8×5=40 Marks)

SECTION – C

Answer **any two** questions. **Each** question carries **20** marks.

25. From the following balance sheets of XYZ Co. Ltd., you are required to prepare funds flow statement including a schedule of changes in working capital for the year ended 31-12-2015.

	31-12-2014	31-12-2015		31-12-2014	31-12-2015
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
Share capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6,000	Debtors	14,900	17,700
Reserve for doubtful debts	700	800	Stock	49,200	42,700
Creditors	10,360	11,840	Land	20,000	30,000
P/L A/c	10,040	10,560	Goodwill	10,000	5,000
	1,03,100	1,03,200		1,03,100	1,03,200

Additional information :

- 1) Dividend paid Rs. 3,500
- 2) During the year, land was purchased for Rs. 10,000.



26. The budgeted expenses for the production of 10000 units in a factory are furnished below :

	Per unit (Rs.)
Materials	70
Labour	25
Variable overheads	20
Fixed overhead (Rs. 1,00,000)	10
Direct variable overheads	5
Selling expenses (15% fixed)	13
Distribution expenses (20% fixed)	7
Administrative expenses (Rs. 50,000)	5
	155

Prepare a budget for the production of 8000 units.

27. The following figures of sales and profits for two periods are available in respect of a concern :

	Sales (Rs.)	Profit (Rs.)
Period I	1,00,000	15,000
Period II	1,20,000	23,000

You are required to find out :

- P/V ratio
 - Fixed cost
 - Break-even point
 - Profit at an estimated sale of Rs. 1,25,000
 - Sales required to earn a profit of Rs. 20,000.
28. Explain the important ratios which are generally used for measuring the liquidity and profitability of a company. Also explain briefly the significance of each of those ratios.
- (2×20=40 Marks)**
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Reg. No. :

Name :

Final Year B.Com. Degree Examination, April 2018
Part – III : Paper – XV : Optional Paper – II
a) TAXATION LAW AND ACCOUNTS – II
(2006 Admission Onwards)

Time : 3 Hours

Max. Marks : 100

SECTION – A

Answer **any ten** questions. **Each** question carries **2** marks.

1. What is 'MAT' ?
2. What do you mean by Best Judgement Assessment ?
3. What is Tax Planning ?
4. What do you mean by advance payment of tax ?
5. What is a 'widely held company' ?
6. What is VAT ?
7. What do you mean by Net Wealth ?
8. What do you mean by clubbing of assets ?
9. What is Tax evasion ?
10. What is PAN ?
11. What is 'Belated Return' ?
12. What is 'Valuation Date' ?

(10×2=20 Marks)

P.T.O.



SECTION – B

Answer **any eight** questions. **Each** question carries **5** marks.

13. Explain the features of VAT.
14. Who are the persons not liable to pay wealth tax ?
15. Distinguish between tax planning and tax management.
16. Which are the assets exempt from wealth tax ?
17. Explain the powers of the settlement commission.
18. Write short notes on the following :
 - a) Compulsory Return
 - b) Revised Return
19. Write a note on 'Pay as You Earn' scheme.
20. Distinguish between an 'Indian Company' and a 'Domestic Company' as per the Income Tax Act.
21. Sona, Meena and Teena are members of an Association of persons sharing in the ratio 1 : 2 : 3. During the financial year 2015-16, the taxable income of the AOP was Rs. 9,00,000/- while the personal income of Sona, Meena and Teena were Rs. 90,000, 1,50,000 and 2,50,000 respectively. Compute the tax liability of AOP.
22. X Ltd. is engaged in the construction of residential flats. On the valuation date 31-3-2016 company gives the following details :

Land in urban area (construction not permitted)	25,00,000
Motor cars	12,00,000
Cash balance (as per books)	3,00,000
Bank balance (as per books)	5,00,000
Guest house in rural area	10,00,000

Compute taxable net wealth.



23. Income and expenditure a/c of a firm of advocates for the year ended 31-3-2016 was as follows : (amount in Rs.)

Expenses	2,00,000	Consultancy charges	4,60,000
Salary to clerk	90,000	Special commission fee	40,000
Interest to partners	60,000	Sundry receipts	10,000
Remuneration to partners	3,80,000	Net loss	3,10,000
Donations	15,000		
Depreciation	75,000		
	8,20,000		8,20,000

The firm has two partners and fulfils the conditions of sec. 184. The following matters were disclosed on scrutiny :

1,20,000 of the expenses is not genuine

Depreciation allowable is 30,000

Interest is allowed to partners at 20%

Salary to clerk is unreasonable to the extent of 30,000

Compute total income.

24. From the following information compute total income of Ms. Anu for the financial year 2015-16.

Taxable business income from sale of securities	5,00,000	
Interest on govt. securities	40,000	
Long term capital gains	60,000	
Lottery winning	1,00,000	
Income from house property (Computed)	80,000	
Advance tax paid	20,000	
Life insurance premium paid	30,000	
NSC purchased	20,000	
Donation to Chief Minister's relief fund	10,000	(8×5=40 Marks)



SECTION – C

Answer **any two** questions. **Each** question carries **20** marks.

25. Discuss the general powers of Income Tax Authorities.
26. Explain the situations where penalty can be imposed under the Income Tax Act.
27. Mr.Dinesh has a real estate business and his assets and liabilities on 31-3-2016 are given below :

Two residential houses self occupied (valued at 25,00,000 and 20,00,000)	45,00,000
Farm house (30 km away from local limits)	10,00,000
Bullion	10,00,000
Car	8,00,000
Boat	5,00,000
Shares of companies	50,00,000
Share in HUF	20,00,000
Cash in Hand	3,00,000
Loan for purchasing car	5,00,000

Compute net wealth.

28. Zigma limited is a company in which public are substantially interested. During the year ending 31st March 2016 the company earned following incomes.

Profit from manufacturing	1,50,000
Profit from trading activities	2,00,000
Dividend from domestic company (gross)	25,000
Dividend from foreign company	10,000
Profit from a hotel started in 2000 in a Pilgrimage place	1,80,000
Royalty received from a foreign company in India	2,25,000
Brought forward unabsorbed depreciation	2,22,000
Interim dividend distributed in October 2015	1,50,000

Compute total income of Zigma limited.

(2×20=40 Marks)