

1. INTRODUCTION TO ACCOUNTING FOR MANAGEMENT

1. State any two functions of management accountant?
2. What are the differences between cost accounting and management accounting?
3. Define management accounting?
4. Discuss the functions of management accounting?
5. Discuss the scope and importance of management accounting? How does it differ from financial accounting?
6. Management accounting provides information required for
 - (a) Accounting purposes
 - (b) managerial purpose
 - (c) Recording purpose
 - (d) Cost accounting purpose
7. What are the differences between financial accounting and management accounting?
8. Explain (a) common size statement
(b) Trend ratios

9. Two popular financial statement are and?
10. Explain different types of analysis?
11. Define management accounting. Explain its scope and importance?
12. What do you mean by financial statement analysis?
13. What is horizontal analysis?
14. What comparative financial statement or What is comparative statement?
15. Prepare a comparative balancesheet from the following

Liability	2010	2011	Assets	2010	2011
Share capital	800000	1000000	plant	600000	540000
Reserve	300000	400000	Furniture	40000	60000
Debentures	200000	300000	Debtors	700000	1000000
Creditors	240000	360000	B/R	100000	200000
B/P	60000	40000	Cash	160000	300000
Total	1600000	2100000	Total	1600000	2100000

20. What do you mean by solvency ratio?
 21. What is mean by ratio analysis ? Discuss objects and limitations?
 22. The following is the balance sheet of a firm as on 31 March 2013

Share capital	300000	Fixed assets	165000
Creditros	80000	Cash	10000
Bills payable	20000	Sundry debtors	60000
Provision for tax	35000	Bills recievable	20000
		Stock	175000
		Prepaid expenses	5000
Total	435000	Total	435000

Calculate (a) Current ratio (b) Liquid ratio and comment on the liquidity of the firm

23. What is Du pond Chart?

3. FUND FLOW STATEMENT

- Net working capital :
 - Investment in current assets
 - Excess of quick assets over current liabilities
 - Excess of current assets and current liabilities
 - None of these
- Preparation of fund flow statement is
- Fund flow statement is
- What do you mean by application of fund?
- From the following balance sheet as on 31st December 2002 and 2003, prepare schedule of changes in working capital

Liabilities	2002	2003	Assets	2002	2003
Share capital	400000	575000	Land and building	75000	100000
Creditors	106000	70000	Stock	121000	136000
Profit & loss account	14000	31000	Debtors	181000	170000
			Cash	143000	270000
Total	520000	676000	Total	520000	676000

- In fund flow statement, fund means
- Issue of shares or debentures is a of fund?
- Which statement is prepared to show the movement of working capital?
- Explain the term fund?
- From the following balance sheet of X Ltd. prepare schedule of changes in working capital and fund flow statement

	2009	2010		2009	2010
Share capital	70000	74000	Cash	9000	7800
Debentures	12000	6000	Debtors	14900	17700
Creditors	10360	11840	Stock	49400	42700
Profit & loss a/c	10740	11360	Goodwill	10000	5000
			Land	20000	30000
Total	103100	103200	Total	103100	103200

- is a source of fund
 - Sale of fixed asset
 - issue of shares
 - Fund from operation
 - All of these
- Fund from operation is a of fund?
- Name the statement that is prepared to know the changes in working capital
- What do you mean by ' funds flow'?
- Name four application of fund?
- From the following profit and loss account, calculate funds from operation:

Profit and loss account			
Salaries	28000	Gross profit b/d	150000
Rent	12000	Profit on sale of furniture	12000
Printing charges	6000	Interest received	8000
Depreciation on plant	25000		
Goodwill 10000			
Loss on sale of palnt	5000		
Provision for tax	15000		
Proposed dividend	14000		
Net profit	55000		
Total	170000	Total	170000

17. Calculate funds from operations from the information given below as on 31st March 2013
- Net profit for the year ended 31st March 2013 - Rs. 65000
 - Gain on the sale of buildings -Rs. 3550
 - Goodwill appears in the books at Rs. 18000 out of that 10% has been written off during the year
 - Old machinery worth Rs. 800 has been sold for Rs. 650 during the year
 - Rs. 12500 have been transferred to reserve fund
 - Depreciation has been provided during the year on machinery and furniture at 20% whose total is Rs. 65000
18. The balance sheet of a company as on 31st December 2011 and 31st December 2012 were as follows:

Liabilities	2011	2012	Assets	2011	2012
Retained earnings	160000	300000	Stock	100000	95000
Premium on shares	---	5000	Debtors	43000	5000
Accumulated depreciation	80000	60000	Prepaid expenses	4000	5000
Debentures	60000	----	Cash	15800	10200
Account payable	37800	40200	Commission on shares	25000	20000
Share capital	200000	250000	Fixed assets	350000	475000
Total	537800	655200	Total	537800	655200

Additional information:

- Net income for the year Rs. 140000
 - Depreciation for the year Rs. 20000
 - Income tax paid was Rs. 40000
 - Interim dividend paid during the year Rs. 20000
 - An addition to the fixed asset was made during the year at a cost of Rs. 165000 and fully depreciated machine costing Rs. 40000 was discarded, no salvage being realised
- Prepare a statement of changes in working capital and a statement of sources and application of fund

4. CASH FLOW STATEMENT

1. Cash flow statement:

- (a) Sources and application of fund (b) Schedule of changes in working capital
 (c) Changes in cash position (d) Inflow and outflow of fund

2. From the following summary of cash account of XLtd. prepare cash flow statement for the year ended 31st March 2003 using the direct method. The company does not have any cash equivalents

Balance on 1.4.2003	500	Payment to suppliers	20000
Issue of equity shares	3000	Purchase of fixed assets	2000
Receipt from customers	28000	Over head expenses	2000
Sale of fixed assets	1000	wages and salaries	1000
		Taxation	2500
		Dividend	500
		Repayment of bank loan	3000
		Balance on 31.3.2003	1500
	325000		325000

3. What is cash flow statement?

4. Calculate the cash from operations from the following information

(a) Profit made during the year Rs. 200000 after considering the following items;

Depreciation	----	Rs 10000
Goodwill written off	----	Rs. 5000
Transfer to reserve	-----	Rs. 5000
Profit on sale of machinery	-----	Rs. 2000

(b) Following is the current assets and current liabilities

	Opening Balance	Closing Balance
Debtors	10000	15000
Creditors	15000	10000
Bills receivables	12000	10000
Prepaid expenses	4000	2000

5. Cash flow statement is tool of analysis

- (a) Long term (b) Trend (c) Short term (d) None of these

6. A summary of the financial position of Mr.A for the year 2006 and 2007 is given below

Liabilities	2006	2007	Assets	2006	2007
Capital	70000	83000	Cash	7000	13000
Creditors	10000	12000	Debtors	20000	18000
			Stock	40000	52000
			Fixed assets	13000	12000
Total	80000	95000	Total	80000	95000

There is no drawings or sale of fixed assets during the year. Prepare cash flow statement

7. How does cash flow statement differ from fund flow statement?

8. The net profit of the company before tax is Rs. 2500000 as on 31st March 2013. After considering the following:-

Depreciation on fixed assets	-----	50000
Goodwill written off	-----	15000
Loss on sale of machinery	-----	12000

The current assets and current liabilities of the company in the beginning at the end of the year were as follows

	31.3.2012	31.3.2013
Accounts receivables	50000	31000
Account payable	20000	25000
Debtors	60000	75000
Stock in hand	30000	28000
Outstanding expenses	15000	10000

Calculate cash flow from operating activities by indirect method

5. MARGINAL COSTING

1. What is C.V.P. analysis?
2. What is marginal cost?
3. What is contribution?
4. Determine the amount of variable cost from the following

Sales	--	6,00,000
Fixed cost	--	1,00,000
Profit	--	60000
5. Calculate PV ratio:

Contribution	--	80000
Variable cost	--	120000
Sales	--	200000
6. Calculate BEP

Fixed cost	--	150000
Fixed expenses	--	45000
PV ratio	--	50
Sales	--	150000
7. From the following information ascertain by how much the value of sales must be increased by the company to break even:

Sales	--	300000
Fixed cost	--	150000
Variable cost	--	200000
8. From the following draw up a break even chart to find out break even point:

Sales	--	Rs 20
Variable cost	--	12 per unit
Fixed cost	--	4000
9. What are the advantages of marginal costing
10. The differences between actual sales and break even sales is
11. costs are partly fixed and partly variable?
12. Contribution is the differences between sales and
13. is a graphical presentation of CVP analysis?
14. The point at which contribution is equal to fixed cost is
15. What is margine of safety?
16. What is a break even chart?
17. The P/V ratio of Beta Ltd is 50% and its magine of safety is 40%. Calculate BEP and net profit is sales are Rs. 50 lakhs.

18. Calculate P/V ratio, BEP, margine of safety and sales required to earn a profit of Rs. 100000 from the following data

Sales	--	800000
Fixed cost	--	150000
Direct materials	--	400000
Direct labour	--	120000
Direct expenses	--	80000
19. Margine of safety is the differences between sales and?

(a) BEP	(b) Total cost
(c) Profit	(d) Fixed cost
20. At BEP, contribution is equal to
21. EBIT stands for
22. The ratio of contribution to sales
23. Calculate BEP, margine of safety and sales required to earn a profit of Rs. 10000 from the following information

Sales	--	80000
Fixed cost	--	15000
Direct material	--	40000
Direct wages	--	12000
Direct expenses	--	8000
24. From the following data draw Break even chart showing break even point

Sales	80000 units @ Rs 20 per unit
Variable expenses per unit	Rs. 10
Fixed expenses	Rs. 400000
25. The sales and profits during the two periods were as follows

Period	Sales	Profit
I	20 lakhs	2 lakhs
II	30 lakhs	4 lakhs

Calculate

- (a) PV ratio
 - (b) BEP
 - (c) Sales to earn a profit of Rs. 5 lakhs
 - (d) Margin of safety in period II
 - (e) Variable cost in period I
26. Explain cost -volume -profit analysis? What are its assumptions and advantages?
 27. Define break even point?
 28. What is Profit / volume ratio?

29. The following facts and figures are extracted from the cost books of accounts of a company for the years 2012.
Sales volume : 18 lakh units
Selling price per unit: Rs. 40
Unit variable cost : Rs. 25
Annual fixed cost: 2.4 crore
From these compute BEP (both volume and value)?

30. What is angle of incidence?
31. What is contribution margin?
32. Differentiate absorption costing and marginal costing?
33. Explain the term Cash break even point. State why it is calculated?

6. RESPONSIBILITY ACCOUNTING

1. Responsibility accounting is a system of control of
2. What are responsibility accounting? Mention the advantages and disadvantages of responsibility accounting?
3. Define responsibility accounting?
4. Which of the following is not a responsibility centre
(a) Cost centre (b) Revenue centre (c) Production centre (d) Profit centre
5. What is Activity based costing? Explain its advantages?
6. What are cost objects?
7. What are the features of responsibility accounting?