

**SRM INSTITUTE OF SCIENCE AND TECHNOLOGY****FACULTY OF SCIENCE AND HUMANITIES****DEPARTMENT OF COMMERCE – LESSON PLAN – EVEN SEMESTER 2019-2020**

<b>II YEAR – V SEMESTER – CORE PAPER - XIII</b>		<b>L</b>	<b>T</b>	<b>P</b>	<b>TOTAL</b>	<b>CREDIT</b>
<b>UIS15501</b>	<b>MANAGEMENT ACCOUNTING</b>	<b>4</b>	<b>1</b>	<b>0</b>	<b>5</b>	<b>4</b>

Maximum: 100 marks (Internal: 50 marks; External: 50 marks)

**OBJECTIVES**

- To explain the theoretical concepts of management accounting.
- To understand the application of various management accounting techniques.

**UNIT I** – Management Accounting – meaning – scope – importance and limitations - Management accounting Vs Cost accounting - Management Accounting Vs Financial accounting – management accountant – roles and responsibilities.

<b>S.NO</b>	<b>DATE</b>	<b>DAY ORDER</b>	<b>DESCRIPTION</b>
1	19-06-2019	III	Issue of Syllabus – Introduction
2	20-06-2019	IV	Meaning of management accounting
3	21-06-2019	V	Features, scope of management accounting
4	24-06-2019	I	Importance and limitations
5	25-06-2019	II	Advantages of management accounting
6	26-06-2019	III	Management accounting Vs cost accounting
7	27-06-2019	IV	Management accounting Vs financial accounting
8	28-06-2019	V	Management accountant - need
9	01-07-2019	I	Role of management accountant
10	02-07-2019	II	Responsibilities of management accountant
11	03-07-2019	III	<b>SEMINAR</b>
12	04-07-2019	IV	<b>ASSIGNMENT</b>

**UNIT II** – Analysis and Interpretation of financial Statement – nature, objectives, tools – methods - Comparative statements, Common size statements – Trend Analysis.

<b>S.NO</b>	<b>DATE</b>	<b>DAY ORDER</b>	<b>DESCRIPTION</b>
13	05-07-2019	V	Financial statement analysis - meaning
14	08-07-2019	I	Analysis and interpretation
15	09-07-2019	II	Nature of financial statement analysis
16	10-07-2019	III	Objectives and importance of analysis and interpretation
17	11-07-2019	IV	Tools used for analysis
18	12-07-2019	V	Methods of financial statement analysis
19	15-07-2019	I	Comparative statement analysis – problems – Income statement
20	16-07-2019	II	Comparative statement analysis – problems – Balance sheet
21	17-07-2019	III	Common size analysis – problems – Income statement

22	18-07-2019	IV	Common size analysis – problems – Balance sheet
23	19-07-2019	V	Trend analysis – problems – Income statement
24	22-07-2019	I	Trend analysis – problems – Balance sheet
25	23-07-2019	II	<b>REVISION</b>

**UNIT III – Ratio Analysis – interpretation, benefits and limitations - Classification of ratios – Computation of Ratios.**

S.NO	DATE	DAY ORDER	DESCRIPTION
26	24-07-2019	III	Ratio analysis – meaning and definition
27	25-07-2019	IV	Importance and benefits of ratio analysis
28	26-07-2019	V	Limitations of ratio analysis
29	29-07-2019	I	Classification of ratios
30	30-07-2019	II	Ratio analysis and interpretation
31	31-07-2019	III	Short term liquidity ratios - Problems
32	01-08-2019	IV	Long term liquidity ratios - Problems
33	02-08-2019	V	Profitability ratios - Problems
34	05-08-2019	I	Profitability ratios - Problems
35	06-08-2019	II	<b>CYCLE TEST – I</b>
36	07-08-2019	III	<b>CYCLE TEST – I</b>
37	08-08-2019	IV	<b>CYCLE TEST – I</b>
38	09-08-2019	V	<b>CYCLE TEST – I</b>
39	13-08-2019	I	Turnover ratios - problems
40	14-08-2019	II	Solvency ratios - Problems
41	16-08-2019	III	Solvency ratios - Problems
42	19-08-2019	IV	Problems

**UNIT IV – Fund Flow and Cash Flow statements. Budget and Budgetary Control – meaning – Objectives, merits and demerits – Types of budgets - Production, Cash budget, Flexible Budget and master budget.**

S.NO	DATE	DAY ORDER	DESCRIPTION
43	20-08-2019	V	Fund flow statement - problems
44	21-08-2019	I	Fund flow statement - problems
45	22-08-2019	II	Cash flow statement - Problems
46	23-08-2019	III	Cash flow statement - Problems
47	26-08-2019	IV	Budgetary control – meaning, objectives
48	27-08-2019	V	Merits and demerits of budgetary control
49	28-08-2019	I	Production budget
50	29-08-2019	II	Cash budget – problems
51	30-08-2019	III	Cash budget - problems
52	03-09-2019	IV	Flexible budget - problems
53	04-09-2019	V	Flexible budget - problems
54	05-09-2019	I	<b>CYCLE TEST – II</b>
55	06-09-2019	II	<b>CYCLE TEST – II</b>
56	09-09-2019	III	<b>CYCLE TEST – II</b>

**UNIT V – Capital Budgeting – capital expenditure control – capital budgeting techniques - PBP, NPV, ARR and IRR.**

S.NO	DATE	DAY ORDER	DESCRIPTION
57	11-09-2019	IV	Capital budgeting – Meaning
58	12-09-2019	V	Capital expenditure control
59	13-09-2019	I	Capital budgeting techniques
60	16-09-2019	II	Pay back period - problems
61	17-09-2019	III	Net present value - problems
62	18-09-2019	IV	Net present value - problems
63	19-09-2019	V	Accounting rate of return - problems
64	20-09-2019	I	Accounting rate of return - problems
65	23-09-2019	II	Accounting rate of return - problems
66	24-09-2019	III	Internal rate of return - problems
67	25-09-2019	IV	Internal rate of return - problems
68	26-09-2019	V	Internal rate of return - problems
69	27-09-2019	I	Problems
70	30-09-2019	II	Problems
71	01-10-2019	III	Problems
72	03-10-2019	IV	<b>SEMINAR</b>
73	04-10-2019	V	<b>SEMINAR</b>
74	09-10-2019	I	<b>REVISION</b>
75	10-10-2019	II	<b>REVISION</b>

**TEXT BOOKS**

1. Reddy and Murthy, (2009), “Cost Accounting”, Margham Publications, Chennai.
2. Maheswari S N, (2013) “Problems and Solutions in Cost Accounting”, Sultan Chand Sons, New Delhi.
3. Jain S P, K L Narang, (2013) “Cost Accounting”, Kalyani Publishers, New Delhi.

**REFERENCES**

1. Nigam R S., Narang, S P, Sehgal, B C, (2000), “Principles and Practice of Cost Accounting”, S Chand and Co, India
2. Iyengar S P, (1998), “Cost Accounting Principles and Practice”, Sultan Chand & Sons, New Delhi.
3. Bhar B K, (2013), “Cost Accounting – Methods & Problems”, Academic Publications, New Delhi.

**QUESTION PAPER PATTERN – UNIT BASED**

EXAMINATION	PART – A	PART – B	TOTAL MARKS
<b>CYCLE TEST</b> I - Unit I and II	9 Questions – Equally Distributed- All questions to be	2 Questions – 1 Question from each Unit – Internal Choice	Part A – 18 Marks and Part B – 32 Marks =

II – Unit III and IV	answered and each carries TWO Marks	Pattern – Each Carries 16	Total Marks – 50 Marks
<b>MODEL EXAMINATION</b> Full Syllabus	10 Questions – 2 Questions from each Unit - All Questions carry 2 Marks each	5 Questions – 1 Question from each Unit – Internal Choice – All Questions carry 16 Marks each	Part A – 20 Marks and Part B – 80 Marks = Total Marks – 100 Marks
<b>SEMESTER EXAMINATION</b> Full Syllabus	10 Questions – 2 Questions from each Unit - All Questions carry 2 Marks each	5 Questions – 1 Question from each Unit – Internal Choice – All Questions carry 16 Marks each	Part A – 20 Marks and Part B – 80 Marks = Total Marks – 100 Marks

## EVALUATION AND MARKS

### 1. Internal Examination – 40 Marks

Cycle Test – I – Marks obtained for 50 will be converted to 10

Cycle Test – II – Marks obtained for 50 will be converted to 10

Model Examination – Marks obtained for 100 will be converted to 20

### 2. Assignment – 5 Marks

5 Marks will be awarded for Assignment/Project/Seminar/Class Work Maintenance

### 3. Attendance – 5 Marks

Attendance Marks is as

95% and More Attendance – 5 Marks

90% to 94.99% - 4 Marks

85% to 89.99% - 3 Marks

80% to 84.99% - 2 Marks

75% to 79.99% - 1 Mark

Less than 75% - Nil

### 4. External Examination – 50 Marks

Examination will be conducted at the end of the Semester – marks Obtained for 100 will be converted to 50.

### 5. Qualification to Higher Semester and Passing Criteria

Student must appear for minimum of Three Subjects in the Current Semester to qualify for higher semester – failure will lead to detention in the present semester

Passing minimum is 40% in End Semester (External) Examination and 40% Overall (Internal and External)

**\*\*\* Students securing less than 75% Attendance in the semester will be detained in the semester and they have to redo the semester in the forthcoming Academic Year on payment of fees as prescribed by the University\*\*\***

Reg. No.																			
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**B.Com., DEGREE EXAMINATION, NOVEMBER 2019**

Fifth Semester

**UIS15501 – MANAGEMENT ACCOUNTING**

*(For the candidates admitted during the academic year 2015-2016)*

Time: Three Hours

Max. Marks: 100

**Answer ALL Questions  
PART A (10 x 2 =20 Marks)**

1. Define Management Accounting.
2. State any two duties of Management Accounting.
3. What is meant by Comparative Statement Analysis?
4. Give any two objectives of Financial Statement Analysis and Interpretation.
5. What do you understand by Stock Turnover Ratio?
6. What is Debt Equity Ratio?
7. Write any two objectives of Budgetary Control.
8. Write a note on Fund Flow Statement.
9. Explain the term Internal Rate of Return.
10. What is Capital Budgeting?

**Answer ALL Questions  
PART B (5 x 16 =80 Marks)**

11. A. Differentiate between Management Accounting and Cost Accounting.

**(OR)**

- B. Discuss the objectives of Management Accounting.

- 12.A. From the following Balance Sheet of Ramco Ltd. for the year ended 2015 and 2016, you are required to prepare a Comparative Balance Sheet.

**Balance Sheet as on 31<sup>st</sup> December**

	2015	2016		2015	2016
	Rs.	Rs.		Rs.	Rs.
Bills Payable	500	750			
Sundry Creditors	1,500	2,000	Cash	1,000	1,400
Tax Payable	1,000	1,500	Debtors	2,000	3,000
6% Debentures	1,000	1,500	Stock	2,000	3,000
10% Preference Capital	3,000	3,000	Land	1,000	1,000
Equity Capital	4,000	4,000	Buildings	3,000	2,700
Reserves	2,000	2,450	Plant	3,000	2,700
			Furniture	1,000	1,400
	13,000	15,200		13,000	15,200

(OR)

12.B. Convert the following Income Statement into Common Size Statement.

	2016	2017
Gross Sales	30,600	36,720
Less: Sales Return	600	700
Net Sales	30,000	36,020
Less: Cost of goods sold	18,200	20,250
Gross Profit	11,800	15,770
Less: Operating Expenses	9,000	10,000
Income From operations	2,800	5,770
Add: Non Operating income	300	400
Total Income	3,100	6,170
Less: Non Operating Expenses	400	600
Net Profit	2,700	5570

13.A. Given:

Current ratio = 2.8  
Acid-test ratio = 1.5  
Working capital = Rs.1,62,000

Calculate:

- Current Assets
- Current Liabilities
- Liquid Assets
- Stock

(OR)

13.B.. From the data given below compute:

(a) Working Capital ; (b) Net Capital Employed; (c) Current Ratio; (d) Acid Test Ratio; (e) Debt Equity Ratio; (f) Fixed Asset Ratio

CROMPTON LTD.

As on 31<sup>st</sup> December

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	25,000	Fixed Assets	30,000
Preference Share Capital	5,000	Current Assets:	
Reserves and Surplus	4,000	Stores	2,000
Debentures	8,000	Sundry Debtors	1,000
Bank Loans	4,000	Cash	500
Sundry Creditors	1,000	Bank	2,500
Proposed Dividends	1,000	Preliminary Expenses	8,000
Provision for Taxation	2,000	Brokerage on shares	2,000
		Stock	4,000
	50,000		50,000

14.A. . From the following Balance Sheets of X Ltd. make out; (i) Statement of Changes in Working Capital (ii) Fund Flow Statement:

### Balance Sheet

Liabilities	1999	2000	Assets	1999	2000
	Rs.	Rs.		Rs.	Rs.
Equity Share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
Redeemable Preference Share Capital	1,50,000	1,00,000	Land & Buildings	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
Profit & Loss	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash in Hand	15,000	10,000
Provision for Taxation	40,000	50,000	Cash at Bank	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

#### Additional Information:

- (1) Depreciation of Rs. 10,000 and Rs. 20,000 have been charged on Plant and Land and Buildings respectively in 2000.
- (2) A dividend of Rs. 20,000 has been paid in 2000.
- (3) Income tax of Rs. 35,000 has been paid during 2000.

(OR)

14. B. From the following forecasts of income and expenditure prepare a cash budget for the three months commencing 1<sup>st</sup> June, when the bank balance was Rs.1,00,000.

	Sales Rs.	Purchases Rs.	Wages Rs.	Factory Expenses Rs.	Selling expenses Rs.
April	80,000	41,000	5,600	3,900	10,000
May	76,500	40,500	5,400	4,200	14,000
June	78,500	38,500	5,400	5,100	15,000
July	90,000	37,000	4,800	5,100	17,000
August	95,000	35,000	4,700	6,000	13,000

A sales commission of 5 per cent on sales, due two months after sales, is payable in addition to selling expenses. Plant valued at Rs. 65,000 will be purchased and paid for in August and the dividend for the last financial year of Rs. 15,000 will be paid in July. There is a two month credit period allowed to customers and received from suppliers.

15. A. Aravind and co is considering two mutually exclusive projects. Both requires an initial outlay of Rs. 1,00,000 each and have a life of 5 years . The company's required rate of return is 10% and pays tax at 50 % rate . The projects will be depreciated on straight line basis . The net cash flow before taxes expected to be generated by the projects are the following :

PARTICULARS	1 <sup>st</sup> YEAR	2 <sup>nd</sup> YEAR	3 <sup>rd</sup> YEAR	4 <sup>th</sup> YEAR	5 <sup>th</sup> YEAR
PROJECT I (Rs)	40,000	40,000	40,000	40,000	40,000
PROJECT II (Rs)	60,000	30,000	20,000	50,000	50,000
P.V FACTOR @10%	0.909	0.826	0.751	0.683	0.621

Calculate the Net Present Value of each project . Advice the company as to which project should be accepted and Why?

**(OR)**

15. B. A project requires an investment of Rs 25,00,000 and has a scrap value Rs 20,000 after 5 years. It is expected to yield profits after taxes and depreciation during the 5 years amounting to Rs 40,000; Rs 60,000; Rs 2,70,000; Rs 50,000 and Rs 20,000. Calculate the Average Rate of Return of the investment.