

Sri Venkateswara University

MINOR

SUBJECT : ACCOUNTANCY

w.e.f. AY 2023-24

COURSE STRUCTURE

Year	Semester	Course	Title of the Course	No. of Hrs /Week	No. of Credits	Marks		
						Int	Ext	Total
I	II	1	Financial Accounting	4	4	25	75	100
II	III	2	Advanced Accounting	4	4	25	75	100
	IV	3	Corporate Accounting	4	4	25	75	100
	IV	4	Cost & Management Accounting	4	4	25	75	100
III	V	5	Advanced Corporate Accounting	4	4	25	75	100
	V	6	Managerial Accounting	4	4	25	75	100

ACCOUNTANCY (Minor)
SEMESTER – V
COURSE 5: ADVANCED CORPORATE ACCOUNTING

Theory

Credits: 4

4 hrs/week

Learning Objectives

The course aims to help learners to acquire conceptual knowledge of purchase of business and amalgamation of companies. They able to understand the accounting procedure of liquidation and corporate accounting procedures.

Learning Outcomes

After completing the course, the student shall be able to:

Understand Corporate Accounting environment and record transactions related to Purchase of Business, Amalgamation and Reconstruction. Analyze the situations of Purchase of Business and Liquidation and create formula sand calculations relating to Amalgamation ,Internal Reconstruction and Holding company accounts. Acquire skills of Accounting Procedure of Advanced Corporate Accounting Environment.

Unit 1: Purchase of Business: Meaning - Purchase Consideration - Methods for determining Purchase Consideration-Discharge of Purchase Consideration-Accounting Treatment. (Problems only).

Unit 2: Amalgamation of Companies: Meaning and Objectives - Provisions for Amalgamation of Companies as per Accounting Standard 14– Journal entries in the books of Purchasing company – Preparation of Amalgamated Balance sheet. (Problems only).

Unit 3: Internal Reconstruction of Companies: Meaning - Forms of Internal Reconstruction –Alteration of Share Capital and Reduction of Share Capital-Accounting Treatment – Preparation of Reconstructed Balance Sheet.(Problems only).

Unit 4: Accounts of Holding Companies: Meaning of Holding Company and Subsidiary Company-Preparation of Consolidated Balance Sheet - LegalrequirementsonConsolidation-CalculationofMinorityInterest-AccountingTreatment.(Problems only).

Unit 5: Liquidation: Meaning - Modes of Winding up of a Company - Liquidator's Final Statement of Account - Calculation of Liquidator's Remuneration –Preparation of Liquidator's Final Statement of Account only – Accounting Treatment. (Problems only).

Activities:

- Students are asked to identify real time situations with respect to Amalgamation, Liquidation, Purchase Consideration and submit report.
- Assignments including technical assignments like Working with Audit Company for Observation of Purchase Consideration and Observation of recent Amalgamations in Banking Sector and Corporate Sector
- Seminars, Conferences, discussions by inviting concerned institutions
- Field Visit
- Invited Lectures and presentations on related topics

Reference Books:

1. Corporate Accounting: TS Reddy and A Murthy by Margham Publications.
2. Goyal, Bhushan Kumar. Corporate Accounting. Taxmann, New Delhi
3. Kumar, Alok. Corporate Accounting. Kitab Mahal
4. Monga, J.R. Fundamentals of Corporate Accounting. Mayur Paper Backs, New Delhi
5. Sah, Raj Kumar, Concept Building Approach to Corporate Accounting, Cengage
6. Sehgal Ashok & Sehgal Deepak. Corporate Accounting
7. Tulsian P.C. Corporate Accounting. S Chand & Co. New Delhi
8. <https://thebookee.net/ad/advanced-corporate-accounting-and-accounting-standards>
9. Web resources suggested by the Teacher concerned and the College Librarian including reading material

Model Question Paper 2025-26**With Effect from 2023-24****SEMESTER –V****COURSE 5: ADVANCED CORPORATE ACCOUNTING****Max. Marks 75****Time: 3 hrs****SECTION - A****Answer any FIVE Questions****5×3= 15 Marks**

1. Different methods of Purchase Consideration
2. The following is the balance sheet of Murugan Ltd., as on 31st March 1999.

Liabilities	₹	Assets	₹
Share Capital:		Fixed Assets	1,10,500
7,500 Equity shares of ₹ 10 each	75,000	Current Assets	62,000
250 10% Preference shares of ₹ 100 each	25,000		
8% Debentures	40,000		
Reserves	12,500		
Creditors	20,000		
	1,72,500		1,72,500

Find Purchase Consideration under Net Assets Method.

3. Amalgamation
4. Business Assets and Business Liabilities
5. Suguna Company Ltd. has been suffering heavy losses in the past. So it has decided to go for reconstruction scheme by reducing 22,000 equity shares of ₹ 10 each in to ₹ 50 each so as to write off accumulated losses of ₹ 10,70,000. Give journal entries the record the above transactions.
6. Capital Reduction Account
7. Holding Company
8. Minority Interest
9. Liquidators Remuneration
10. Liquidators Final Statement of Account

SECTION - B

Answer any FIVE Questions

(5×12= 60 Marks)

11. 'A' Company Ltd. and 'B' Company Ltd. whose business are of similar nature, decided to amalgamate new company called 'C' Company Ltd. is formed to take over their Assets and Liabilities. The Following are their Balance Sheets.

Balance Sheets as at 31st December 2021

Liabilities	A.Com. Ltd. ₹	B. Com. Ltd ₹
<u>Share Capital</u>		
7,500 shares of ₹ 10 each	75,000	--
4,550 shares of ₹ 5 each	--	45,500
Creditors	3,300	2,000
Reserve	4,200	--
Profit and Loss A/c	800	4,500
	83,300	52,000
<u>Assets</u>		
Goodwill	30,000	20,000
Freehold premises	10,000	---
Plant and Machinery	18,300	13,450
Stock	16,000	11,550
Debtors	7,500	6,000
Cash	1,500	1,000
	83,300	52,000

Ascertain purchase consideration under Net Assets Method.

12. Following is the balance sheet of Samy Ltd. as on 31-3-2004

Liabilities	₹	Assets	₹
Share capital:		Fixed Assets	16,25,000
8% preference shares of ₹ 100 each	3,75,000	Investments	3,00,000
Equity shares of ₹ 10 each	7,50,000	Current Assets	2,50,000
General Reserve	4,50,000		
7% Debentures	3,50,000		
Current Liabilities	2,50,000		
	21,75,000		21,75,000

Romy Ltd. agreed to takeover the business of Samy Ltd.

Calculate purchase consideration under Net payments method on the basis of the following:

i. Romy Ltd. agrees to discharge the 7% debentures at a premium method on the basis of the following:

ii. Preference shares are discharged at a premium of 10% by issuing 10% preference shares of ₹ 100 each in Romy Ltd.

iii. For every 2 Equity shares in Samy Ltd. 3 Equity shares of ₹ 10 each in Romy Ltd. will be issued in addition to cash payment of ₹ 3 per Equity share in Samy Ltd.

13. Two companies carrying on similar business enter into a contract to amalgamate. A new company called 'A' Co. Ltd. being formed to take over the assets and liabilities of each. The following are the respective balance sheets, showing the values of the assets as agreed in the contract, and it is provided that fully paid ₹ 50 shares shall be issued by the new company to the value of the net assets of each of the old companies.

E Company Ltd.

Balance sheet as on 31st December 2020

Liabilities	₹	Assets	₹
Share Capital:		Property	75,000
2,000 shares of ₹ 100 each fully paid	2,00,000	Machinery	1,00,000
Sundry creditors	30,000	Stock	45,000
Reserve fund	50,000	Debtors	35,000
Profit & Loss A/c	10,000	Cash in hand	35,000
	<u>2,90,000</u>		<u>2,90,000</u>

S Company Ltd.

Balance sheet as on 31st December 2020

Liabilities	₹	Assets	₹
Share Capital:		Property	95,000
2,500 shares of ₹ 100 each	2,50,000	Machinery	90,000
Sundry creditors	41,000	Stock	75,000
		Debtors	11,000
		Cash in hand	20,000
	<u>2,91,000</u>		<u>2,91,000</u>

State what shares the liquidator of each company will receive from the new company. Give the opening entries in the books of the new company and give its balance sheet.

14. The Following is the balance sheet of 'X' Ltd. as on 31st March 2022

Liabilities	₹	Assets	₹
Share Capital:		Land and Building	10,00,000
2,00,000 equity shares of ₹ 10 each	20,00,000	Plant and Machinery	15,00,000
General reserve	2,50,000	Furniture	25,000
Profit & Loss A/c	51,000	Stock	6,00,000
Dividend Equalisation reserve	2,00,000	Work in Progress	3,00,000
12% Debentures	10,00,000	Sundry Debtors	2,50,000
Sundry Creditors	3,00,000	Cash at Bank	1,26,000
	<u>38,01,000</u>		<u>38,01,000</u>

The company was absorbed by 'A' Ltd. on the above date. The consideration for the absorption is the discharge of the Debentures at a premium of 5%, taking over the liability in respect of Sundry creditors and a payment of ₹ 7 in cash and one share of ₹ 5 in 'A' Ltd. at the market value of ₹ 8 per share for every share in 'X' Ltd. The cost of liquidation of ₹ 15,000 is to be met by the purchasing company. Show necessary accounts in the books of X Ltd.

15. ABC Company Ltd. passed resolution and got court permission for the reduction of its share capital by ₹ 5,00,000 for the purpose mentioned as under

- To write off the debit balance of P&L A/c of ₹ 2,10,000
- To reduce the value of Plant and Machinery by ₹ 90,000 and Goodwill by ₹ 40,000.
- To reduce the value of investment by ₹ 80,000

The reduction was made by converting 50,000 preference shares ₹ 20 each fully paid to the same number of preference shares of ₹ 15 each and by converting 50,000 equity shares

of ₹ 20 each on which ₹ 15 is paid up into 50,000 equity shares of ₹ 10 each fully paid up. Pass journal entries to record the share capital reduction.

16. The following is the balance sheet of Bharath Ltd. as on 31st March 2022

Liabilities	₹	Assets	₹
Share Capital:		Land and Building	6,00,000
6000, 6% preference shares of ₹ 100 each	6,00,000	Plant and Machinery	9,00,000
12,000 equity shares of ₹ 100 each	12,00,000	Goodwill	45,000
8% Debentures	3,00,000	Stock	1,30,000
Sundry Creditors	1,50,000	Profit & Loss A/c	7,00,000
Bank overdraft	3,00,000	Sundry Debtors	1,40,000
		Cash at Bank	15,000
		Preliminary Expense	20,000
	25,50,000		25,50,000

On the above date the company adopted the following scheme of reconstruction

- The Equity shares are to be reduced to shares of ₹ 40 each fully paid on the preference shares to be reduced to fully paid shares of ₹ 75 each
- The Debenture holders took over stock and debtors in full satisfaction of their claims.
- The Land and Building to be appreciated by 30% and Plant and Machinery to be depreciated by 30%
- The Fictitious and intangible assets are to be eliminated
- Expense of reconstruction amounted to ₹ 5000

Give Journal entries and prepare the reconstructed Balance sheet.

17. From the balance sheets and information given below, prepare a consolidated balance sheet

Liabilities	H. Ltd. ₹	S Ltd. ₹	Assets	H. Ltd. ₹	S Ltd. ₹
Share Capital			Sundry Assets	80,000	12,000
₹ 10 per share	1,00,000	20,000	Stock	61,000	24,000
Creditors	20,000	12,000	Debtors	13,000	17,000
Profit and Loss A/c	40,000	12,000	Bills Receivable	1,000	---
Reserve	10,000	6,000	Shares in 'S' Ltd.		
Bills Payable	---	3,000	1500 shares at cost	15,000	---
	1,70,000	53,000		1,70,000	53,000

Additional information:

- All profits of 'S' Ltd. have been earned since the shares were acquired by 'H' Ltd but the reserve of ₹ 6,000 was already there at the time
- Bills accepted by 'S' Ltd. are all in favour of 'H' Ltd. which has discounted ₹ 2000 of them
- Sundry asserts of 'S' Ltd. undervalued by ₹ 2,000
- The Stock of 'H' Ltd. includes ₹ 5,000 bought from 'S' Ltd. at a profit to the later of 25% on cost

18. On 31st March 2022 the balance sheets of 'H' Ltd. and its subsidiary 'S' Ltd. stood as follows

Liabilities	H. Ltd. ₹	S Ltd. ₹	Assets	H. Ltd. ₹	S Ltd. ₹
Equity Share Capital	8,00,000	2,00,000	Fixed Assets	5,50,000	1,00,000
Creditors	1,20,000	80,000	Stock	1,05,000	1,77,000
Profit and Loss A/c	90,000	55,000	Other current assets	2,25,000	1,28,000
Reserve	1,50,000	70,000	75% Shares in 'S' Ltd. at cost	2,80,000	---
	11,60,000	4,05,000		11,60,000	4,05,000

Draw a consolidated balance sheet as at 31st March 2022 after taking into consideration the following information.

- 'H' Ltd acquired the shares on 31st July 2021
- 'S' Ltd. earned profit of ₹ 45,000 for the year ended 31st March 2022.
- In January 2022 'S' Ltd sold to 'H' Ltd goods costing ₹ 15,000 for ₹ 20,000. On 31st March 2022 half of the goods were lying as unsold in the godown of 'H' Ltd.

19. The Following particulars are related to a company which has gone into liquidation. You are required to prepare liquidators final statement of account allowing for his remuneration at 2% on the amounts realised on assets and 2% on the amount distributed to unsecured creditors other than preferential creditors.

Unsecured creditors	₹ 2,24,000
Preferential creditors	₹ 70,000
Debentures	₹ 75,000
The assets realised the following amounts	
Cash in hand	₹ 20,000
Land and Building	₹ 1,30,000
Plant and Machinery	₹ 1,10,500
Furniture	₹ 7,500

The liquidation expense amounted to ₹ 2000.

A call of ₹ 2 per share on the partly paid 10,000 equity share was made and duly paid except in case of one share holder owning 500 shares.

20. 'X' Ltd. went into voluntary liquidation on 1-1-2022. The liquidator gets remuneration at 3% on asserts realised and 2% on amount distributed to shareholders. From the following particulars prepare liquidators final statement.

	₹
Asserts realised	5,00,000
Expense of liquidation	9,000
Unsecured creditors	62,000
Salary and wages outstanding	6,000
5000 6% preference share capital	1,50,000
(Dividend paid up to 31 st march 2020)	
10,000 equity share capital	90,000
General reserve as on 31-12-2021	1,20,000
Profit and Loss A/c as on 31-12-2021	20,000

Under articles of association of the company the preference shareholders have the right to receive 1/3 of the surplus remaining after paying the equity share capital.

MODEL QUESTION PAPER – INTERNAL
SEMESTER – V
COURSE 5: ADVANCED CORPORATE ACCOUNTING

Time : 1½ Hrs

Max Marks 50

Answer any Two of the following

2 X 25 = 50 Marks

- 1.
- 2.
- 3.
- 4.
- 5.

ACCOUNTANCY (Minor)
SEMESTER – V

COURSE 6 : MANAGERIAL ACCOUNTING

Theory

Credits: 4

4 hrs/week

I. Learning Outcomes

Upon successful completion of the course the student will be able to

1. Understand the nature and scope of management accounting and differentiate management accounting, financial accounting and cost accounting.
2. Compute ratios and draw inferences
3. Analyze the performance of the organization by preparing funds flow statement and cash flow statements
4. Prepare fixed budget and flexible budget.

UNIT-1: Ratio Analysis

Meaning - Advantages and Limitation of Ratio Analysis – Types of Ratios – **Profitability Ratios**-Gross Profit Ratio– Net Profit Ratio – Operating Ratio – Operating Profit Ratios. **Solvency Ratios**- Current Ratio – Liquid Ratio/ Acid Test Ratio – Debt-Equity Ratio. **Turnover Ratios**-Fixed Assets Turnover Ratio – Working Capital Turnover Ratio – Debtors Turnover Ratio – Creditors Turnover Ratio – Stock Turn Over Ratios only.**(problems only)**

UNIT-2:FundsFlow Statement Analysis

Meaning and Concept of Working Capital (Fund) – Fund Flow Statement – Meaning and Uses of Funds Flow Statement- Statement of changes in working capital –Funds from Operation – Preparation of Funds Flow Statement.**(problems only)**

UNIT-3:CashFlow Statement Analysis

MeaningandUsesofCashFlowStatement–PreparationofCashFlowStatement–Cash flow from operating activities – Financing activities and investing activities **(problems only)**

UNIT-4:Budgeting and Budgetary Control

Meaning of Budget –Meaning of Control – Meaning of Budgetary control – objectives of Budgetary control system – Advantages and Limitations of Budgetary control system. Preparation of fixed budget and flexible budgets **only. (problems only)**

Unit- 5 :Standard Costing

Concept of Standard Cost and Standard Costing – Advantages and limitations – analysis of variances-importance of Variance Analysis - computation of material variances – Material Cost variance, Material price variance, Material usage variance, Material sub usage variance and Material mix variance only.

(Problems only)

II. References

1. T.S. Reddy and Dr. Y. Hari Prasad Reddy, Cost Accounting and Management Accounting, Margam Publications.
 2. Management Accounting and financial control S.N. Maheswari, Sultan Chand and Sons.
 3. Principles of Management Accounting by Manmohan & Goyal, Publisher: PHI Learning
 4. Cost and Management Accounting by SP Jain and KLNarang
 5. Introduction to Management Accounting – Horngreen and Dunder Publisher: PHI Learning
 6. Cost and Management Accounting by M.N. Arora, Vikas Publishing House Pvt Ltd.,
 7. Management Accounting :Text, Problems & Cases by Khan & Jain, Tata Mc Graw Hill (TMH)
- Web Sources: Web sources suggested by the concerned teacher and college librarian including reading material.

III. Co-Curricular Activities:

A Mandatory: (student training by teacher in related real time field skills: total 10 hours)

1. Teachers: Teacher shall provide students with financial data relating to business or organizations and train them (using actual field material) to present such data in a more meaningful manner to facilitate managerial decision making, preparation of various budgets, forecast, analyze, interpret and present such information in different reporting forms.

2. Student: Students shall visit any local company and collect their financial data or from web sources. Differentiate management accounting, financial accounting and cost accounting. Extract the Financial data of any company and Compute Ratios and draw inferences, prepare Cash budgets, Fixed and flexible budgets and submit a brief report after analyzing such data.

3. Max marks for Fieldwork/Projectwork Report: 05.

4. Suggested Format for Fieldwork/Project work (not more than 10 pages): Title page, student details, contents, objective, step-wise work done, findings, conclusions and acknowledgements.

5. Unit tests (IE).

B. Suggested Co-Curricular Activities

1. Organize short term training on specific technical skills in collaboration with Computer Department or skill training institution (Government or Non-Government Organization).
2. Seminars/Conference/ Workshops on management accountant profession, skills required for Management accountant Professional Development, integration of technical and analytical skills for effective job performance, Ethical behavior of management accountant.
3. On job work with ICMA professional duration of work be decided on the basis of feasibility and opportunity.
4. Interaction with Area Specific Experts.

SRI VENKATESWARA UNIVERSITY

Model Question Paper 2025-26

With Effect from 2023-24

SEMESTER – V

COURSE 6: MANAGERIAL ACCOUNTING

Time: 3 hrs

Max. Marks 75

SECTION - A

Answer any FIVE Questions

5×3= 15 Marks

1. Gross Profit and Net Profit Ratio
2. Calculate the debtors turnover ratio from the following:

	₹
Total sales for the year 2021	1,00,000
Cash sales for the year 2021	20,000
Debtors as on 1-1-2021	10,000
Debtors as on 31-12-2021	15,000
Bills receivable as on 1-1-2021	7,500
Bills receivable as on 31-12-2021	12,500

3. Calculate stock turnover ratio from the following:

Trading Account

Particulars	₹	Particulars	₹
Opening stock	40,000	Sales	2,00,000
Purchases	1,00,000	Closing Stock	20,000
Freight	10,000		
Gross Profit	70,000		
	2,20,000		2,20,000

4. Working Capital

5. Calculate Funds from business operations from the following Profit and Loss A/c.

	₹		₹
To Expenses paid	3,00,000	By Gross Profit b/d	4,50,000
“ Depreciation	70,000	“ Profit on sale of land	50,000
“ Loss on sale of machine	4,000	“ Dividends received	4,000
“ Discount	200	“ Interest on Investments	6,000
“ Goodwill written off	20,000		
“ Net profit	1,15,800		
	5,10,000		5,10,000

6. Cash flow from Financing and investing activities

7. Compute cash from operation

When Profit and Current assets and Liabilities are given From the following data you are required to calculate the cash from operations:

Funds from operations for the year 2021 ₹84,000. Current assets and liabilities as on 1-1-2021 and 31-12-2021 were as follows:

	1-1-2021 ₹	31-12-2021 ₹
Trade Creditors	1,82,000	1,94,000
Trade Debtors	2,75,000	3,15,000
Bills receivable	40,000	35,000
Bills payable	27,000	31,000

8. Fixed and Flexible budgets

9. Standard costing

10. Material variances

Section - B

Answer any Five Questions (5 × 12 = 60 Marks)

11. Following is the Profit and Loss A/c of a company for the year ending 31-12-2023. Find out

a. Gross profit ratio b. Net profit ratio c. Operating ratio d. Operating profit ratio

Following are the details relating to the trading activities of A Ltd.,

Particulars	₹	Particulars	₹
To Opening stock	1,00,000	By Sales	5,60,000
To Purchases	3,50,000	By Closing stock	1,00,000
To Wages	9,000		
To Gross profit c/d	2,01,000		
	6,60,000		6,60,000
To Administrative expenses	20,000	By Gross profit b/d	2,01,000
To Selling and distribution exp.	89,000	By Interest on investments	10,000
To Non-operating expenses	30,000	(outside business)	
To Net profit	80,000	By Profit on sale of investments	8,000
	2,19,000		2,19,000

12. The following are the summarized Profit and Loss Account for the year ending 31-12-2023.

Trading and Profit & Loss Account

Particulars	₹	Particulars	₹
Opening Stock	10,000	Sales	1,00,000
Purchases	55,000	Closing Stock	15,000
Gross Profit c/d	50,000		
	1,15,000		1,15,000
Administrative expenses	15,000	Gross Profit b/d	50,000
Interest	3,000		
Selling Expenses	12,000		
Net Profit	20,000		
	50,000		50,000

Liabilities	₹	Assets	₹
Capital	1,00,000	Land & Buildings	50,000
Profit & Loss A/c	20,000	Plant & Machinery	30,000
Creditors	25,000	Stock	15,000
Bills Payable	15,000	Sundry Debtors	15,000
		Bills Receivable	12,500
		Cash in Hand & at Bank	17,500
		Furniture	20,000
	1,60,000		1,60,000

Balance Sheet as on 31-12-2023

You are required to calculate:

- i. Stock Turnover Ratio, ii. Debtors Turnover Ratio iii. Creditors Turnover Ratio
iv. Current Ratio v. Acid Test Ratio,

13. Calculate funds from operations of X Ltd. from the following:

Profit and Loss A/c

	₹		₹
To Salaries	10,000	By Gross Profit	2,00,000
To Rent	3,000	By Profit on sale of Machines	5,000
To Commission	2,000	By Dividend received	2,000
To Discount allowed	1,000	By Refund of tax	3,000
To Provision for Depreciation	14,000		
To Transfer to General reserve	20,000		
To Loss on sale of investments	5,000		
To Provision for tax	10,000		
To Discount on issue of Debentures	2,000		
To Preliminary Expenses	3,000		
To Selling Expenses	20,000		
To Net Profit	1,20,000		
	2,10,000		2,10,000

14. The following are the Balance Sheets of Pratima & Co. Ltd. as on 30th June 2021 and 30th June 2022.

Balance Sheet

Liabilities	30-6-2021 ₹	30-6-2022 ₹	Assets	30-6-2021 ₹	30-6-2022 ₹
Share capital	1,80,000	2,00,000	Goodwill	24,000	20,000
Reserve Fund	28,000	36,000	Buildings	80,000	72,000
P& LA/c	39,000	24,000	Machinery	74,000	72,000
Trade Creditors	16,000	10,800	Investments	20,000	22,000
Bank overdraft	12,400	2,600	Inventories	60,000	50,800
Provision for			Debtors	40,000	44,400
Taxation	32,000	34,000	Cash	13,200	30,400
Provision for					
Doubtful debts	3,800	4,200			
	3,11,200	3,11,600		3,11,200	3,11,600

Additional Information:

- i) Depreciation charged on machinery Rs.10,000 and on buildings Rs.8,000.
ii) Investments sold during the year Rs.3,000.

iii) Rs.15,000 interim dividend paid during January 2022.

iv) Taxes paid during the year Rs.30,000.

Prepare a) a statement of changes in working capital b) a Funds flow statement

15. Selvi Ltd., earned profit of Rs.2,00,000 after charging or crediting the following Items to its P & LA/c during 31-3-2022.

a) Profit on sale of investments	₹ 4,000
b) Loss on sale of buildings	9,000
c) Depreciation on fixed assets	7,000
d) Amortisation of goodwill	2,000

The following additional details are available: 1-4-2021 31-3-2022

	₹	₹
Bills payable	5,000	8,000
Creditors	12,000	16,000
Outstanding expenses	2,000	1,000
Bills receivable	20,000	18,000
Debtors	40,000	60,000
Prepaid expenses	2,000	3,000
Accrued incomes	5,000	8,000
Income received in advance	2,000	

1,000 Calculate the cash from operations for the year ending 31-3-2022.

16. Malar Ltd. Furnish you the following Balance Sheets for the years ending 31st Dec.2021. You are required to prepare a cash flow statement for the year ended 31-12-2021.

Liabilities	2020 ₹	2021 ₹	Assets	2020 ₹	2021 ₹
Equity share capital	20,000	20,000	Goodwill	2,400	2,400
General reserve	2,800	3,600	Land	8,000	7,200
Profit and Loss A/c	3,200	2,600	Building	7,400	7,200
Sundry creditors	1,600	1,080	Investments	2,000	2,200
Outstanding expenses	240	160	Inventories	6,000	4,680
Provision for tax	3,200	3,600	A/cs receivable	4,000	4,440
Provision for bad debts	80	120	Bank balance	1,320	3,040
	31,120	31,160		31,120	31,160

Following additional information has been supplied

- A piece of land has also been sold for ₹ 800
- Depreciation amounting to ₹ 1,400 has been charged on building.
- Provision for taxation has been made for ₹ 3,800 during the year.

17. A company which supplies its output on contract basis as component to an assembling firm has a contract to supply 10,000 units of its only product during 2021. The following were the budgeted expenses and revenue.

Materials	₹ 15 per unit
Wages	₹ 10 per unit
Works expenses – (Fixed)	₹ 40,000
Variable	₹ 4 per unit
General expenses (all fixed)	₹ 60,000

Profit is 20% on sale price.

Prepare the budget for 2021 showing the cost and profit.

18. Draw up a flexible budget for production at 75% and 100% capacity on the basis of the

following data for a 50% activity.

	Per unit ₹
Materials	100
Labour	50
Variable expenses (direct)	10
Administrative expenses (50% fixed)	40,000
Selling and distribution expenses (60% fixed)	50,000
Present production (50% activity)	1000 units

19. From the following particulars Calculate (a) Material price variance

(b) Material usage

variance and (c)

Material cost

variance

Material purchased - 3,000 kg s at

Rs.6 per kg Standard quantity of material fixed

for one unit of finished product - 25 kgs at

Rs.4 per kg. Opening stock of material - Nil

Closing stock of material - 500kgs Actual output during the period - 8000 units

20. From the following information of product No. 888, calculate

i. Material cost variance

ii. Material price variance

iii. Material usage variance

iv. Material mix variance v. Material sub

usage variance

Material	Standard Qty kgs.	Standard Price ₹	Actual quantity kgs	Actual Price ₹
X	20	5	24	4.00
Y	16	4	14	4.50
Z	12	3	10	3.25

MODEL QUESTION PAPER – INTERNAL
SEMESTER – V

COURSE 6 : MANAGERIAL ACCOUNTING

Time : 1½ Hrs

Max Marks 50

Answer any Two of the following

2 X 25 = 50 Marks

- 1.
- 2.
- 3.
- 4.
- 5.