QP CODE: D2BAF2402 (S1)	(Pages: 3)	Reg. No	: ....
		Name	: ....

SECOND SEMESTER FYUGP EXAMINATION, APRIL 2026

(Improvement/Supplementary - 2024 Admissions)

Discipline Specific Core (DSC) Courses - Minor

AFA2MN111 : FUNDAMENTALS OF MANAGEMENT ACCOUNTING

(Credits: 4)

Time: 2 Hours **Maximum Marks: 70**

Section A

Answer the following questions. Each carries 3 marks (Ceiling: 24 marks)

1.	What are the financial statements of a company?	BL1	CO1, CO2, CO3, CO4
2.	Comment on comparative financial statements.	BL1	CO1, CO2, CO3, CO4
3.	What is management accounting?	BL1	CO1, CO2, CO3, CO4
4.	State the limitations of ratio analysis.	BL1	CO1, CO3, CO4
5.	What is current ratio?	BL1	CO1, CO2, CO3,
6.	What is meant by cash from operations?	BL1	CO1, CO2, CO3, CO4
7.	Enlist the items to be considered in the preparation of statement showing cash from operating activities.	BL2	CO1, CO2, CO3, CO4
8.	Fixed cost- Rs 100000 Variable cost- Rs 7 per unit Current market price- Rs 8 per unit Output- 50000 units Should the company sell or not?	BL2	CO1, CO2, CO3, CO4
9.	What are the major decision making areas where marginal costing can be applied?	BL1	CO1, CO2, CO3, CO4
10.	What is marginal costing?	BL1	CO1, CO2, CO3, CO4

(PTO)

Section B

Answer the following questions. Each carries 6 marks (Ceiling: 36 Marks)

11. From the following information, calculate trend percentages and give your interpretations: — BL2 — CO1, CO2, CO3, CO4

Year	2021	2022	2023	2024	2025
sales	120000	150000	152000	188000	200000
cost of goods sold	70000	75000	80000	100000	110000
operating expenses	24000	30000	32000	40000	50000
profit	26000	45000	40000	48000	40000

12. Compare how financial accounting focuses on past performance, whereas management accounting emphasizes future decision-making. Provide examples to illustrate this difference. — BL3 — CO1, CO2, CO3, CO4

13. Balance sheet of MN Ltd as on 31/03/2025 — BL3 — CO1, CO2, CO3, CO4

Liabilities	₹	Assets	₹
equity share capital	180000	fixed assets	390000
reserves and surplus	120000	stock	90000
secured loans	210000	debtors	105000
creditors	90000	cash	15000

Discuss the liquidity and solvency position of the business and comment it.

14. Explain fund from operation. How it is computed. — BL2 — CO1, CO2, CO3, CO4

15. Calculate fund from operation. — BL2 — CO1, CO2, CO3, CO4

Profit and loss a/c

To depreciation	1000	By gross profit	9000
Discount	100	profit on sale of plant	3500
Loss on sale of machine	400		
Goodwill written off	2350		
Preliminary expenses written off	500		
Sundry expenses	2500		
Net profit	5650		
	12500		12500

16. A manufacturer has planned his level of operation at 50% of his capacity of 30000 units. His expenses are estimated as follows: — BL2 — CO1, CO2, CO3, CO4

Direct material-₹ 8280

Direct wages- ₹ 11160

Variable expenses-₹ 3960

	Fixed expenses-₹ 6000 The expected selling price in the domestic market is ₹ 2 per unit, Recently the manufacturer has received a trade enquiry from an overseas organisation interested in purchasing 6000 units at a price of ₹ 1.45 per unit. As a professional management accountant, what would be your suggestion regarding acceptance or rejection of the offer?		
17.	Explain the meaning of P/V ratio and its uses.	BL2	CO1, CO2, CO3, CO4
18.	Construct a BEP chart with self made data (show all relevant factors)	BL2	CO1, CO2, CO3, CO4

Section C

Answer any one question. Each carries 10 marks (1 x 10 = 10 Marks)

19.	Make a balance sheet of your own and comment on its solvency position .	BL3	CO1, CO2, CO3, CO4
20.	Calculate cash from operation:	BL2	CO1, CO2, CO3, CO4

Liabilities	2024	2025	Assets	2024	2025
Equity share capital	50000	80000	Land	50000	50000
Profit and loss a/c	49000	28000	Plant	60000	80000
Debentures	30000	50000	Stock	20000	16000
Creditors	16000	20000	Debtors	15000	24000
Bills payable	6000	4000	Prepaid expense	3000	2000
Outstanding expenses	3000	2000	Cash	1000	
			Cash at bank	5000	10000

Additional information:

1. Net profit for the year-₹25000
2. Depreciation on plant-₹12000
3. Loss on sale of plant debited to P&L a/c- ₹2000
4. Net profit includes ₹1000 received as other income
5. During the year provision of tax was made for ₹10000

CO : Course Outcome

BL : Bloom's Taxonomy Levels (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)