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DMI-ST. EUGENE UNIVERSITY

ZAMBIA

DEGREE EXAMINATION – DECEMBER 2023

Semester: VI

551/552 AC62 MANAGEMENT ACCOUNTING

Time: 3:00 Hours

Max. Marks: 100

Answer any FIVE Questions (5 x 20 = 100 Marks)

1. a) Discuss the concept of Management Accounting. **(10 Marks)**
 b) Describe the Characteristics/Nature of Management Accounting. **(10 Marks)**
2. a) Describe the Uses of Ratio Analysis.. **(10 Marks)**
 b) Describe the Classification of Ratios. **(10 Marks)**
3. a) Elaborate the uses and limitations of fund flow statement. **(10 Marks)**
 b) From the following P&L a/c calculate funds from operations:

Profit and Loss a/c

Dr		Cr	
Particulars	Amount K	Particulars	Amount K
To Rent	35,000	By gross profit	9,86,000
To Deprecation	3,000		
To share discount			
To Goodwill	10,000		
To preliminary expenses	5,000		
To Net profit	6,000		
	9,27,000		
	9,86,000		9,86,000

(10 Marks)

4. a) Explain the Limitations of cash flow statement.

(10 Marks)

b) Calculation cash from operations from the following profit and loss.

Particulars	K	Particulars	K
To rent	6,000	By gross profit	25,000
To depression	2,000	By profit on sale of land	
To loss on sale of plant	1,000	By refund of income tax	5,000
To goodwill written off			3,000
To proposed dividend	4,000		
To provision for tax	5,000		
To net profit	10,000		
	33,000		33,000

(10 Marks)

5. a) Discuss the advantages and disadvantages of standard costing. **(10 Marks)**
 b) Distinguish between standard cost and estimated cost. **(10 Marks)**
6. a) Explain the Tools or Techniques of Management Accounting. **(10 Marks)**
 b) Describe the Limitations of Management Accounting. **(10 Marks)**
7. a) Explain the advantages and disadvantages of Ratio analysis. **(10 Marks)**
 b) Explain the Categories of Ratio Analysis. **(10 Marks)**