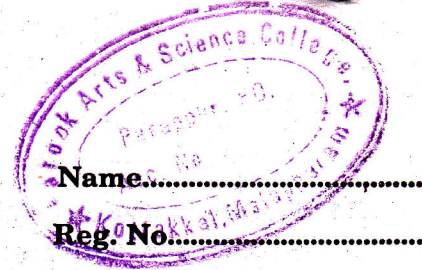


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(Pages : 3)



**FIFTH SEMESTER B.Com./B.B.A. DEGREE (SUPPLEMENTARY)
EXAMINATION, NOVEMBER 2017**

(CCSS-SDE)

BC 5B 07/BB 5B 07—ACCOUNTING FOR MANAGEMENT

Time : Two Hours and Forty-five Minutes

Maximum : 27 Weightage

Answer only in English.

Part B

Section A

I. Answer *all* nine questions in *one* or *two* sentences each. Each question carries a weightage of 1 :

- 1 Distinguish between Management Accounting and Financial Accounting.
- 2 What do you mean by Trend Analysis ?
- 3 What is leverage ratio ?
- 4 What are the various sources of funds to a business ?
- 5 What is meant by Angle of incidence ?
- 6 Distinguish between Fixed Cost and Variable Cost.
- 7 What is creditors turn over ratio ?
- 8 State any two uses of Cash Flow Statement.
- 9 What are responsibility centres ?

(9 × 1 = 9 weightage)

Section B

II. Answer any *five* questions in not more than *one* page each. Each question carries a weightage of 2 :

- 10 What are the limitations of Management Accounting ?
- 11 Discuss the objects and limitations of ratio analysis.
- 12 Distinguish between Fund flow Statement and Balance Sheet.
- 13 Write a brief note on Responsibility Accounting.

Turn over

- 14 From the following information ascertain Cash Balance as on 31st December 2012 by preparing a Cash Flow Statement :

<i>Particulars</i>	1st January	31st December
	2012	2012
	Rs.	Rs.
Cash ...	8,000	7,200
Debtors ...	70,000	76,800
Stock ...	50,000	44,000
Land ...	40,000	60,000
Buildings ...	1,00,000	1,10,000
Machinery ...	1,60,000	1,72,000
	<u>4,28,000</u>	<u>4,70,000</u>
Current Liabilities ...	72,000	82,000
Loan from X ...	—	40,000
Loan from Bank ...	60,000	50,000
Capital and Reserves ...	<u>2,96,000</u>	<u>2,98,000</u>
	<u>4,28,000</u>	<u>4,70,000</u>

During the year Rs. 52,000 were paid as dividends. The provision for depreciation against machinery as on 1st January 2012 was Rs. 54,000 and on 31st December 2012 Rs. 72,000.

- 15 Calculate BEP in units and in rupees from the following information :

	Rs.	Rs.
Estimated sales (1,00,000) units ...		20,00,000
Less : Variable Costs ...	12,00,000	
Fixed cost ...	<u>4,00,000</u>	<u>16,00,000</u>
Profit ...		<u>4,00,000</u>

- 16 Calculate Debtors Turnover Ratio and the average collection period from the following information :

Total Sales Rs. 3,00,000, (Cash sales Rs. 10,00,000)

Opening Debtors Rs. 12,00,000, Closing Debtors Rs. 18,00,000.

(5 × 2 = 10 weightage)

Section C

- III. Answer any *two* out of three essay questions. Each question carries a weightage of 4 :

- 17 What do you mean by analysis and interpretation of Financial Statements ? Explain the methods of Financial Statement Analysis.

- 18 From the following assets and liabilities of Rajaram Ltd. as on 31st March 2013, calculate :
- (i) Current ratio ; (ii) Quick ratio ; (iii) Absolute liquidity ratio ; (iv) Ratio of inventory to working capital ; (v) Ratio of current assets to Fixed Assets ; (vi) Debt to Equity ratio ; (vii) Proprietary ratio ; (viii) Fixed assets ratio.

<i>Balance Sheet</i>			
<i>Liabilities</i>	Rs.	<i>Assets</i>	Rs.
Equity Capital ...	10,00,000	Goodwill ...	5,00,000
6 % Pref. share capital ...	5,00,000	Plant and Machinery ...	6,00,000
General Reserve ...	1,00,000	Land ...	7,00,000
Surplus A/c ...	4,00,000	Furniture ...	1,00,000
Provision for tax ...	1,76,000	Stock ...	6,00,000
Bills payable ...	1,24,000	Bills receivable ...	30,000
Bank overdraft ...	20,000	Debtors ...	1,50,000
Creditors ...	80,000	Bank ...	2,00,000
12 % Debenture ...	5,00,000	Marketable securities ...	20,000
	<u>29,00,000</u>		<u>29,00,000</u>

- 19 The following are the information related to a company :

	Rs.
(i) Fixed cost ...	13,000
(ii) Variable cost ...	14,000
(iii) Total cost ...	27,000
(iv) Net profit ...	3,000
(v) Net sales ...	30,000

- (a) Find out the break-even point.
 (b) Forecast the profit for sales volume Rs. 50,000.
 (c) Estimate the volume of sales turnover to make a net profit of Rs. 10,000.

(2 × 4 = 8 weightage)

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(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.Com./B.B.A. DEGREE (UG—CCSS) [SUPPLEMENTARY/
IMPROVEMENT] EXAMINATION, NOVEMBER 2016

BC 5B 07—ACCOUNTING FOR MANAGEMENT

Time : Two Hours and Forty-Five Minutes

Maximum : 27 Weightage

Part B

Answer should be written only in English.

SECTION A

*Answer all **nine** questions in one or two sentences each.
Each question carries a weightage of 1.*

1. Define financial accounting ?
2. What is meant by common size statements ?
3. What do you mean by schedule of changes in working capital ?
4. What are the utilities of cash flow analysis ?
5. What is breakeven point ?
6. What is meant by variable cost ?
7. What is responsibility accounting ?
8. Elucidate financial ratios ?
9. What are the functions of management accounting ?

(9 × 1 = 9 weightage)

SECTION B

*Answer any **five** questions out of nine. Answer not to exceed **one page** each.
Each question carries a weightage of 2.*

10. Explain the advantages of marginal costing ?
11. Differentiate between management accounting and financial accounting ?
12. What is responsibility accounting and what are the steps involved in it ?

Turn over

13. A factory manufacturing radios has the capacity to produce 1500 radios per annum, the marginal cost of a radio is Rs. 800 which is sold for Rs. 1,000, and fixed overheads are Rs. 1,50,000. Calculate : (a) Breakeven point for output and sales. (b) Sales required to earn a profit of Rs. 50,000. (c) Profit when sales are Rs. 20,00,000.
14. From the following details find out the funds from operations :—

<i>Particulars</i>	Rs.	<i>Particulars</i>	Rs.
Salaries	... 40,000	Gross profit	... 1,00,000
Rent	... 15,000	Profit on sale of building:	... 5,000
Provision for bad debts	... 5,000	(Sold for : 10,000	
Preliminary expense written off	... 10,000	Book value : 5,000)	
Goodwill written off	... 5,000		
Depreciation on machinery	... 5,000		
Loss of sale of plant :	... 2,000		
(Book value : 10,000			
Sold for : 8,000)			
Provision for tax	... 5,000		
Net profit	... 18,000		
	1,05,000		1,05,000

15. From the following Trading, Profit and Loss Account Calculate (a) Gross Profit ratio (b) Net Profit ratio (c) Operating ratio (d) Administrative expense ratio.

<i>Particulars</i>	Rs.	<i>Particulars</i>	Rs.
Stock	... 75,000	Sales	... 5,00,000
Purchases	... 3,10,000	Closing stock	... 1,00,000
Freight	... 15,000		
Gross profit b/d	... 2,00,000		
	6,00,000		6,00,000

		3		D 12576
Administration expense	...	85,000	Gross profit b/d	... 2,00,000
Selling and Administration expense	...	40,000	Interest on investments	... 5,000
Financial expenses	...	6,000		
Non operating expenses	...	3,000		
Net profit	...	71,000		
		2,05,000		2,05,000

16. From the following information calculate the Cash Flow from operating activities :

<i>Particulars</i>	Rs.
Operating profit before changes in operating assets	57,500
Debtors (decrease)	5,000
Stock (increase)	2,000
Bills Payable (decrease)	4,500
Creditors (increase)	3,200
Cash at bank (increase)	20,000
	(5 × 2 = 10 weightage)

SECTION C

*Answer any two questions out of three.
Each question carries a weightage of 4.*

17. Explain the different assumptions of Responsibility accounting. What are its benefits ?
18. From the following information, prepare a Comparative Income Statement for the years that ended on 31st March 2008 and 31st March 2009.

<i>Particulars</i>	31/03/2008	31/03/2009	<i>Particulars</i>	31/03/2008	31/03/2009
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
Opening stock	1,50,000	3,00,000	Sales	10,00,000	15,00,000
Purchases	7,70,000	9,80,000	Less : Returns	50,000	20,000
Carriage inwards	20,000	25,000	Net sales	9,50,000	14,80,000
Gross profit c/d	2,85,000	5,75,000	Closing stock	2,75,000	4,00,000
	12,25,000	18,80,000		12,25,000	18,80,000

Turn over

Particulars	31/03/2008	31/03/2009	Particulars	31/03/2008	31/03/2009
	(Rs.)	(Rs.)		(Rs.)	(Rs.)
Salaries of staff ...	20,000	45,000	Gross Profit b/d ...	2,85,000	5,75,000
Salary of manager ...	5,000	15,000	Other Incomes ...	15,000	15,000
Insurance ...	4,000	3,500			
Advertising Expense ...	50,000	95,000			
General expense ...	75,000	85,000			
Interest ...	5,000	6,000			
Tax payable ...	600	700			
Net Profit b/d ...	1,40,400	3,39,800			
	<u>3,00,000</u>	<u>5,90,000</u>		<u>3,00,000</u>	<u>5,90,000</u>

19. From the following information prepare a Balance Sheet :—

Current ratio	...	1.5
Quick ratio	...	1.25
Gross profit ratio	...	25%
Stock turnover ratio	...	9 times
Debtors turnover ratio	...	1.5 months
Turnover of fixed assets	...	1.2
Capital gearing ratio	...	0.375
Reserves to share capital	...	0.25
Fixed assets to net worth	...	1.25
Sales	...	Rs. 24,00,000

(2 × 4 = 8 weightage)

FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2016

(CUCBCSS—UG)

BBA VB 07—ACCOUNTING FOR MANAGEMENT

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)*Answer all ten questions.**Choose the correct answer.*

1. Management accounting is an extension of :
 - (a) Cost accounting.
 - (b) Financial accounting.
 - (c) Management theory.
 - (d) None of these.
2. Current ratio measures :
 - (a) Solvency.
 - (b) Liquidity.
 - (c) Profitability.
 - (d) All of these.
3. Which among the following is not a source of fund ?
 - (a) Issue of shares for cash.
 - (b) Sale of fixed asset.
 - (c) Depreciation on fixed asset.
 - (d) Sale of investments.
4. Which among the following is not a feature of management accounting ?
 - (a) Used by management.
 - (b) Uses financial and non-financial data.
 - (c) More relevant than objective information.
 - (d) Statutory requirement.
5. Fund from operations means.
 - (a) Net profit from the business.
 - (b) Gross profit from the business.
 - (c) Operating profit from the business.
 - (d) None of these.

Fill in the blanks :

6. Management accounting information is used by parties _____ to the organisation.
7. _____ statement is another name of profit and loss account.

Turn over

8. Liquidity means ability to pay short-term obligations in time.
9. C is the excess of sales over marginal cost. (✓)
10. Responsibility accounting is also called cost accounting. (✓) = S-ve

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any **eight** out of the ten questions in two or three sentences.

11. Sales Rs. 90,000.
Profit Volume ratio 20 %.
Calculate Contribution.
12. What is management accounting ?
13. What are liquidity ratios ?
14. Explain the meaning of cash flow statement.
15. What is marginal cost ?
16. What do you mean by Break-even point ?
17. Current ratio 2.5 ; Working capital Rs. 60,000. Calculate current assets and current liabilities.
18. What is cost volume profit analysis ?
19. What do you mean by Cost Accounting ?
20. Break-Even Point Rs. 1,00,000.
Profit Volume ratio 20 %.
Calculate Fixed cost.
- Handwritten notes: $\frac{S}{V} = \frac{S}{V} - \frac{FC}{V}$, $P = 20\%$, $WC = 60000$, PV

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

Answer any **six** out of the eight questions in about 200 words.

21. The following information relating to a company are given.
Current Liabilities Rs. 1,00,000.
Current Ratio 2.5 : 1.
Liquid ratio 1.25:1 Calculate.
- (a) Current assets. (b) Liquid assets.
(c) Working capital. (d) Stock.
22. From the following particulars, calculate stock turnover ratio.
Opening stock Rs. 3,20,000.
Purchases Rs. 9,60,000.
Carriage on purchases Rs. 80,000.
Sales Rs. 16,00,000.
Closing stock Rs. 2,40,000.
- Handwritten note: $1.25 \times 100000 = 125000$

23. Find out the value of creditors from the following :—

Sales Rs. 2,00,000.

Opening Stock Rs. 20,000.

Gross Profit on sales 10 %.

Closing stock Rs. 40,000.

Creditor's velocity 73 Days.

Bills Payable Rs. 12,000.

24. Calculate Break Even point from the following :—

Fixed Expenses Rs. 6,00,000.

Variable per unit Rs. 10.

Selling Price Rs. 15.

25. Explain the limitations of ratio analysis.

26. What are the major inflows and out flows from investing activities ?

27. Calculate working capital turnover ratio from the following information :—

Sales Rs. 1,43,750.

Sales returns Rs. 3,750.

Current assets Rs. 50,000.

Current liabilities Rs. 30,000.

28. From the following balances extracted from RC Co. Ltd. as on 31-12-2014 and 31-12-2015, you are required to prepare a schedule of changes in working capital :

Liabilities	As on 31 st December		Assets	As on 31 st December	
	2014 Rs.	2015 Rs.		2014 Rs.	2015 Rs.
Share Capital	1,00,000	1,10,000	Building	40,000	38,000
General Reserve	14,000	18,000	Plant and Machinery	37,000	36,000
Surplus Account	16,000	13,000	Investment	10,000	21,000
Creditors	8,000	5,400	Stock	30,000	23,400
Bills Payable	1200	800	Bills Receivable	2,000	3,200
Provision for tax (Non-Current liability)	16,000	18,000	Debtors	18,000	19,000
Provision for doubtful debts	400	600	Cash at bank	6,600	15,200
			Preliminary Expenses	12,000	10,000
	1,55,600	1,65,800		1,55,600	1,65,800

(6 × 4 = 24 marks)

Turn over

Part IV (Essay Questions)

Answer any two out of the three questions in about 800 words.

29. From the following information, prepare a Balance Sheet. Show the workings.

- (a) Working capital Rs. 75,000
- (b) Reserves and Surplus Rs. 1,00,000
- (c) Bank over draft Rs. 60,000
- (d) Current ratio 1.75
- (e) Liquid ratio 1.15
- (f) Fixed to proprietor's fund 0.75
- (g) Long term liabilities Nil

30. What is the scope of management accounting ?

31. "Marginal costing is a valuable aid for managerial decisions" Discuss.

(2 x 15 = 30 marks)

Handwritten solution for Question 29:

$CR = 1.75 = \frac{CA}{CL}$
 $1.75 = \frac{CA}{CL}$
 $CA = 1.75 \times CL$

$LR = 1.15 = \frac{FA}{CL}$
 $1.15 = \frac{FA}{CL}$
 $FA = 1.15 \times CL$

$WC = CA - CL = 75,000$
 $1.75 \times CL - CL = 75,000$
 $0.75 \times CL = 75,000$
 $CL = \frac{75,000}{0.75} = 1,00,000$

$CA = 1.75 \times 1,00,000 = 1,75,000$
 $FA = 1.15 \times 1,00,000 = 1,15,000$

$Bank\ OD = 60,000$
 $Proprietor's\ fund = 1,00,000$

Balance Sheet:

CA 1,75,000	Stock 1,00,000
FA 1,15,000	Bank OD 60,000
Proprietor's fund 1,00,000	Total 1,75,000

Additional handwritten notes:

- $FA = FA + WC = 1,15,000 + 75,000 = 1,90,000$
- $CL = \frac{CA}{1.75} = \frac{1,75,000}{1.75} = 1,00,000$
- $FA = 1.15 \times 1,00,000 = 1,15,000$
- $WC = CA - CL = 1,75,000 - 1,00,000 = 75,000$
- $Bank\ OD = 60,000$
- $Proprietor's\ fund = 1,00,000$
- $Total\ FA = 1,15,000$
- $Total\ CA = 1,75,000$

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(Pages : 4)

Name.....

Reg. No.....

**FIFTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION
NOVEMBER 2015**

(UG—CCSS)

Core Course

BC 5B 07/BB VB 07—ACCOUNTING FOR MANAGEMENT

Time : Three Hours

Maximum : 30 Weightage

I. Answer all *twelve* questions :—

Choose the correct answer :

- 1 Which *one* of the following items is not taken into account while computing current ratio?
(a) Sundry creditors. (b) Sundry debtors.
(c) Furniture. (d) Bank overdraft.
- 2 The stock turnover ratio is _____.
(a) Financial ratio. (b) Activity ratio.
(c) Solvency ratio. (d) Profitability ratio.
- 3 Increase in the amount of prepaid expenses result in _____.
(a) Increase in cash. (b) Decrease in cash.
(c) No change in cash. (d) None of these.
- 4 Sale of building results into _____.
(a) Source of fund. (b) Application of fund.
(c) No flow of fund. (d) None of these.

Fill in the blanks :

- 5 EBIT divided by total assets ratio is _____.
- 6 At BEP, the total cost is equal to _____.
- 7 Total cost of fixed cost and profit is called _____.
- 8 The Ratio of earnings that are distributed through dividends is called _____.

Give *one word* :

- 9 Name the ratio which is applicable to 'Higher the ratio, the lower the profitability'.
- 10 Name the ratio that deals with the relationship between two items appearing in the profit and loss account.

Turn over

- 11 Name the technique for studying the relationship between cost, volume and profit.
- 12 Name the ratio of gross profit to net total sales.

(12 × ¼ = 3 weightage)

II. Short answer questions.

Answer *all* questions. Each question carries a weightage of 1.

- 13 State any *two* advantages of ratio analysis.
- 14 What is current ratio ?
- 15 Define Funds Flow Statement.
- 16 Name two 'applications' of fund.
- 17 What is Profit volume ratio ?
- 18 Write the marginal cost equation.
- 19 What is profit centre in responsibility accounting ?
- 20 What is meant by schedule of changes in working capital ?
- 21 What is accounts payable ratio ?

(9 × 1 = 9 weightage)

III. Answer any *five* questions. Each question carries a weightage of 2 :

- 22 Explain the limitations of ratio analysis.
- 23 Explain the benefits of implementing Activity based costing.
- 24 From the following details determine the value of debtors :

Total sales—Rs. 5,00,000

Cash sales—Rs. 2,00,000

Debtors velocity 30 days

Bills receivable—Rs. 5,000.

- 25 Find out the profit from the following data :

	Rs.
Sales	... 80,000
Marginal cost	... 60,000
Break-even sales	... 60,000

- 26 The following information relating to a company is given to you :

	Rs.
Sales	... 4,00,000
Fixed cost	... 1,80,000
Variable cost	... 2,50,000

Ascertain how much the value of sales must be increased for the company to break-even.

30 SV Ltd., furnishes you the following data relating to the year 2013 :

		<i>First half of the year</i>	<i>Second half of the year</i>
		Rs.	Rs.
Sales	...	45,000	50,000
Total cost	...	40,000	43,000

Assuming that there is no change in prices and variable costs and that the fixed expenses are incurred equally in the two half year periods, calculate the following for the year 2013 :

- The Profit volume ratio.
- The fixed expenses.
- The break-even sales.
- Percentage of margin of safety.

31 "Marginal costing is a valuable aid for managerial decisions". Discuss.

(2 × 4 = 8 weightage)

D 52663

(Pages : 4)

Name.....

Reg. No.....

**FIFTH SEMESTER B.Com/B.B.A. DEGREE (UG-CCSS) EXAMINATION
JANUARY 2014**

(SDE)

[Core Course]

BC 5B 07/BB 5B 07—ACCOUNTING FOR MANAGEMENT

Time : Two Hours and Forty-Five Minutes

Maximum : 27 Weightage

Part B

Answer should be written in English.

SECTION A

I. Answer all *nine* questions in one or two sentences each. Each question carries a weightage of 1.

- 1 Define Management Accounting.
- 2 What are comparative financial statements ?
- 3 What do you mean by solvency ratio ?
- 4 Define the term fund.
- 5 Define Marginal Costing.
- 6 Define Break-Even point.
- 7 Define Responsibility Accounting.
- 8 What is profit/volume ratio ?
- 9 State any *two* differences between Cost Accounting and Management accounting.

(9 × 1 = 9 weightage)

SECTION B

II. Answer any *five* questions in not more than *one* page each. Each question carries a weightage of 2.

- 10 Discuss the functions of management accounting.
- 11 What is meant by ratio analysis ? Discuss its objects and limitations.
- 12 How does cash flow statement differ from fund flow statement ?

Turn over

13 The following is the Balance Sheet of a firm as on 31-March 2013

	Rs.		Rs.
Share Capital	... 3,00,000	Fixed assets	... 1,65,000
Creditors	... 80,000	Cash	... 10,000
Bills payable	... 20,000	Sunday debtors	... 60,000
Provision for tax	... 35,000	Bills receivable	... 20,000
		Stock	... 1,75,000
		Prepaid expenses	5,000
	_____		_____
	4,35,000		4,35,000
	_____		_____

Calculate (i) current ratio ; (ii) liquid ratio and commend on the liquidity of the firm.

14 Calculate Funds from operations from the information given below as on 31st March 2013 :

- | | Rs. |
|---|------------|
| (a) Net profit for the year ended 31 st March 2013 | ... 65,000 |
| (b) Gain on the sale of buildings | ... 3,550 |
| (c) Goodwill appears in the books at Rs. 18,000 out of that 10% has been written off during the year. | |
| (d) Old machinery worth Rs. 800 has been sold for Rs. 650 during the year. | |
| (e) Rs. 12,500 have been transferred to reserve fund. | |
| (f) Depreciation has been provided during the year on machinery and furniture at 20% whose total is Rs. 65,000. | |
- 15 The following facts and figures are extracted from the cost books of accounts of a company for the year 2012. Sales volume : 18 Lakh units. Selling price per unit : Rs. 40 ; Unit variable cost Rs. 25 ; and Annual fixed cost Rs. 2.4 crore. From these compute BEP. (both volume and value).
- 16 The net profit of a Company before tax is Rs. 25,00,000 as on 31st March 2013. After considering the following :—

	Rs.
Depreciation on fixed assets	... 50,000
Goodwill written-off	... 15,000
Loss on sale of machinery	... 12,000

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
	Rs.		Rs.
Accounts Receivable	... 50,000	...	31,000
Accounts payable	... 20,000	...	25,000
Debtors	... 60,000	...	75,000
Stock in hand	... 30,000	...	28,000
Outstanding expenses	... 15,000	...	10,000

Calculate cash flow from operating activities by indirect method.

(5 × 2 = 10 weightage)

SECTION C

*Answer any two questions.
Each question carries a weightage of 4.*

- 17 Discuss the scope and importance of management accounting. How does it differ from Financial Accounting ?
- 18 From the following information, prepare a Trading and Profit and Loss account and a Summarised Balance Sheet as on March 31-2013.

Gross Profit Ratio : 25 % ; Net Profit Ratio : 20%

Stock Turnover Ratio : 10 ; Net profit /Capital $\frac{1}{5}$,

Capital to total liabilities : $\frac{1}{2}$; Fixed assets /capital : $\frac{5}{4}$

Fixed assets/Total current assets : $\frac{5}{7}$.

Fixed assets : Rs. 10,00,000.

Closing stock Rs : 1,00,000.

(Show all calculations)

Turn over

19 The Balance Sheet of a Company as on 31st December 2012 and 31st December 2011 were as follows :

<i>Liabilities</i>	2011	2012	<i>Assets</i>	2011	2012
Retained earnings	1,60,000	3,00,000	Stock	1,00,000	95,000
Premium on shares	—	5,000	Debtors	43,000	50,000
Accumulated depreciation	80,000	60,000	Prepaid expenses	4,000	5,000
Debentures	60,000	—	Cash	15,800	10,200
Account payables	37,800	40,200	Commission on shares	25,000	20,000
Share capital	2,00,000	2,50,000	Fixed assets	3,50,000	4,75,000
	—————	—————		—————	—————
	5,37,800	6,55,200		5,37,800	6,55,200
	—————	—————		—————	—————

Additional Information :

- Net income for the year Rs : 1,40,000.
- Depreciation for the year Rs. 20,000.
- Income tax paid was Rs. 40,000.
- Interim dividend paid during the year Rs. 20,000.
- An addition to the fixed asset was made during the year at a cost of Rs. 1,65,000 and fully depreciated machine costing Rs. 40,000 was discarded ; no salvage being realised.

Prepare : (1) A statement of changes in Working Capital.

(2) A Statement of sources and applications of funds.

(2 × 4 = 8 weightage)

D 72705

(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.Com./B.B.A. DEGREE (U.G.—CCSS) EXAMINATION
NOVEMBER 2014

(SDE)

Core Course

BC 5B 07/BB 5B 07—ACCOUNTING FOR MANAGEMENT

Time : Two Hours and Forty-Five Minutes

Maximum : 27 Weightage

Answers should be written only in **English**.

Part B

SECTION A

I. Answer all *nine* questions in one or two sentences each. Each question carries a weightage of 1.

- 1 Define Variable Cost. Give *two* examples.
- 2 What do you mean by responsibility accounting ?
- 3 What is a Break-Even Chart ?
- 4 Define Margin of Safety.
- 5 Define the term Fund.
- 6 What do you mean by Turnover ratio ?
- 7 Define Management Accounting.
- 8 State the different profitability ratios.
- 9 What do you mean by Interpretation of financial statements ?

(9 × 1 = 9 weightage)

SECTION B

II. Answer any *five* questions in not more than *one page* each. Each question carries a weightage of 2.

- 10 Distinguish between Cost Accounting and Management Accounting.
- 11 Explain briefly the different methods of financial statement analysis.
- 12 "Responsibility accounting is an important device for Control". Explain.

Turn over

13 From the given Balance Sheet of a Company. Calculate :

(i) Current ratio ; (ii) Quick ratio ; (iii) Debt-equity ratio ; and (iv) Proprietary ratio.

Balance Sheet as on 31st December 2012

	Rs.		Rs.
Share Capital	... 2,00,000	Land and Building	... 1,40,000
Profit and Loss Account Balance	... 30,000	Plant and Machinery	... 3,50,000
General Reserve	... 40,000	Stock	... 2,00,000
12 % Debentures	... 4,20,000	Sundry debtors	... 1,00,000
Bills payable	... 50,000	Bills Receivable	... 10,000
		Cash at Bank	... 40,000
	<hr/> 8,40,000 <hr/>		<hr/> 8,40,000 <hr/>

14 From the following Profit and Loss Account of XYZ Ltd. for two consecutive years, Prepare a Comparative Income Statement and Comment

2011	Particulars	2012	2011	Particulars	2012
6,00,000	To Cost of goods sold	7,50,000	8,00,000	By Sales (Net)	10,00,000
	To Operating Expenses		"	Miscellaneous Income	10,000
20,000	Administrative	20,000	8,000		
30,000	Selling :	40,000			
1,58,000	To Net Profit	2,00,000			
<hr/> 8,08,000 <hr/>		10,10,000	8,08,000		10,10,000

15 A single product Company furnishes the following data :

(Year 2012)

Sales	... Rs. 24,00,000
P/V ratio	... 33 $\frac{1}{3}$ %
Marging of safety	... 25 %

Calculate fixed cost and Profit for the year 2012.

- 16 From the following Profit and Loss Account of A Ltd., Calculate the funds from operations : for the period ended...

Profit and Loss Account for the year ended 31st March 2013

	Rs.		Rs.
To Salary	60,000	By Gross Profit	2,00,000
" Rent	10,000	" Profit and sale of building	20,000
" Advertising	15,000		
" Stationery	5,000		
" Carriages	10,000		
" Depreciation	40,000		
" Preliminary Expenses written-off	5,000		
" Loss on Sale of Plant	10,000		
Goodwill written-off	12,500		
" To Net Profit	52,500		
	<u>2,20,000</u>		<u>2,20,000</u>

(5 × 2 = 10 weightage)

SECTION C

- III. Answer any *two* questions. Each question carries a weightage of 4 :

- 17 "The technique of Marginal Costing" can be a valuable aid to Management". Discuss.
- 18 From the following Information prepare a statement showing sources and application of funds and Schedule of changes in working capital :

<i>Comparative Balance Sheet of Good Luck Ltd as on 31st December.</i>					
	2011 Rs.	2012 Rs.		2011 Rs.	2012 Rs.
Share Capital	40,00,000	50,00,000	Fixed Assets	30,00,000	31,00,000
Reserves	5,00,000	15,00,000	Investments	—	1,50,000
Loans	40,00,000	35,00,000	Stock	78,75,000	75,00,000
Current Liability	60,00,000	50,00,000	Debtors	35,00,000	40,00,000
			Cash	1,25,000	2,50,000
	<u>1,45,00,000</u>	<u>1,50,00,000</u>		<u>1,45,00,000</u>	<u>1,50,00,000</u>

Turn over

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(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.Com./B.B.A. DEGREE (U.G.—CCSS) EXAMINATION
NOVEMBER 2014

(SDE)

Core Course

BC 5B 07/BB 5B 07—ACCOUNTING FOR MANAGEMENT

Time : Two Hours and Forty-Five Minutes

Maximum : 27 Weightage

Answers should be written only in **English**.

Part B

SECTION A

I. Answer all *nine* questions in one or two sentences each. Each question carries a weightage of 1.

- 1 Define Variable Cost. Give *two* examples.
- 2 What do you mean by responsibility accounting ?
- 3 What is a Break-Even Chart ?
- 4 Define Margin of Safety.
- 5 Define the term Fund.
- 6 What do you mean by Turnover ratio ?
- 7 Define Management Accounting.
- 8 State the different profitability ratios.
- 9 What do you mean by Interpretation of financial statements ?

(9 × 1 = 9 weightage)

SECTION B

II. Answer any *five* questions in not more than *one page* each. Each question carries a weightage of 2.

- 10 Distinguish between Cost Accounting and Management Accounting.
- 11 Explain briefly the different methods of financial statement analysis.
- 12 "Responsibility accounting is an important device for Control". Explain.

Turn over

13 From the given Balance Sheet of a Company. Calculate :

(i) Current ratio ; (ii) Quick ratio ; (iii) Debt-equity ratio ; and (iv) Proprietary ratio.

Balance Sheet as on 31st December 2012

	Rs.		Rs.
Share Capital	... 2,00,000	Land and Building	... 1,40,000
Profit and Loss Account Balance	... 30,000	Plant and Machinery	... 3,50,000
General Reserve	... 40,000	Stock	... 2,00,000
12 % Debentures	... 4,20,000	Sundry debtors	... 1,00,000
Bills payable	... 50,000	Bills Receivable	... 10,000
		Cash at Bank	... 40,000
	<hr/> 8,40,000 <hr/>		<hr/> 8,40,000 <hr/>

14 From the following Profit and Loss Account of XYZ Ltd. for two consecutive years, Prepare a Comparative Income Statement and Comment

2011	Particulars	2012	2011	Particulars	2012
6,00,000	To Cost of goods sold	7,50,000	8,00,000	By Sales (Net)	10,00,000
	To Operating Expenses		"	Miscellaneous Income	10,000
20,000	Administrative	20,000	8,000		
30,000	Selling :	40,000			
1,58,000	To Net Profit	2,00,000			
<hr/> 8,08,000 <hr/>		<hr/> 10,10,000 <hr/>	<hr/> 8,08,000 <hr/>		<hr/> 10,10,000 <hr/>

15 A single product Company furnishes the following data :

(Year 2012)

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Calculate fixed cost and Profit for the year 2012.

- 16 From the following Profit and Loss Account of A Ltd., Calculate the funds from operations : for the period ended...

Profit and Loss Account for the year ended 31st March 2013

	Rs.		Rs.
To Salary	60,000	By Gross Profit	2,00,000
" Rent	10,000	" Profit and sale of building	20,000
" Advertising	15,000		
" Stationery	5,000		
" Carriages	10,000		
" Depreciation	40,000		
" Preliminary Expenses written-off	5,000		
" Loss on Sale of Plant	10,000		
Goodwill written-off	12,500		
" To Net Profit	52,500		
	<u>2,20,000</u>		<u>2,20,000</u>

(5 × 2 = 10 weightage)

SECTION C

- III. Answer any *two* questions. Each question carries a weightage of 4 :

- 17 "The technique of Marginal Costing" can be a valuable aid to Management". Discuss.
- 18 From the following Information prepare a statement showing sources and application of funds and Schedule of changes in working capital :

<i>Comparative Balance Sheet of Good Luck Ltd as on 31st December.</i>					
	2011 Rs.	2012 Rs.		2011 Rs.	2012 Rs.
Share Capital	40,00,000	50,00,000	Fixed Assets	30,00,000	31,00,000
Reserves	5,00,000	15,00,000	Investments	—	1,50,000
Loans	40,00,000	35,00,000	Stock	78,75,000	75,00,000
Current Liability	60,00,000	50,00,000	Debtors	35,00,000	40,00,000
			Cash	1,25,000	2,50,000
	<u>1,45,00,000</u>	<u>1,50,00,000</u>		<u>1,45,00,000</u>	<u>1,50,00,000</u>

Turn over

Additional Information :

- (a) The net profit for the year after adjustment in respect of provisions for dividends and taxation was Rs. 10,00,000.
- (b) There was additions to Fixed Assets during the year amounting to Rs. 4,00,000 and the depreciation for the year was Rs. 3,00,000.

19 From the following information, prepare a summarised Balance Sheet as at 31st March 2013 :

Stock Velocity	:	6
Fixed Assets Turnover ratio	:	4
Capital turnover ratio	:	2
Gross profit		20 % of sales.
Amount of Gross profit	:	Rs. 60,000
Debt. collection period	:	2 months.
Creditors payment period	:	73 days

Closing stock Rs. 5,000 in excess of opening stock.

(All calculations / Workings form part of the answer).

(2 × 4 = 8 weightage)

Additional Information :

- (a) The net profit for the year after adjustment in respect of provisions for dividends and taxation was Rs. 10,00,000.
- (b) There was additions to Fixed Assets during the year amounting to Rs. 4,00,000 and the depreciation for the year was Rs. 3,00,000.

19 From the following information, prepare a summarised Balance Sheet as at 31st March 2013 :

Stock Velocity	:	6
Fixed Assets Turnover ratio	:	4
Capital turnover ratio	:	2
Gross profit 20 % of sales.		
Amount of Gross profit	:	Rs. 60,000
Debt. collection period	:	2 months.
Creditors payment period	:	73 days
Closing stock Rs. 5,000 in excess of opening stock.		

(All calculations / Workings form part of the answer).

(2 × 4 = 8 weightage)

D 70917

(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, NOVEMBER 2014

(UG-CCSS)

Core Course

BC 5B 07/BB VB 07—ACCOUNTING FOR MANAGEMENT

Time : Three Hours

Maximum : 30 Weightage

Part A

This part consists of three bunches of questions carrying equal weightage of 1.

Each bunch consists of four objective questions.

Answer all questions.

I. Answer all questions.

Choose the correct answer :

1 Fixed assets ratio is the ratio between Fixed Assets (after depreciation) :

- (a) Total assets. (b) Working capital.
(c) Total long term funds. (d) None.

2 Ideal quick ratio is :

- (a) 1 : 2. (b) 1 : 1.
(c) 2 : 1. (d) 1 : 3.

3 Difference between selling price and marginal cost is :

- (a) Contribution. (b) P/V ratio.
(c) BES. (d) Margin of Safety.

4 Cash flow statement from operating activity include :

- (a) Income from long term investments.
(b) Income from revenue producing activities.
(c) Disposal of fixed assets.
(d) Issue of shares.

II. Fill in the blanks :

5 Balances sheet is a _____ statement.

6 Proprietary ratio is otherwise called as _____.

7 Increase in fund means _____ of cash.

8 A _____ solvency ratio indicates that the firm is financially sound.

Turn over

III. Answer in *one word* :

- 9 Which statement is prepared to show the movement of cash ?
- 10 Name the angle which indicates the rate at which profits are being made.
- 11 Which factor puts limitation on the production and profit of a business ?
- 12 Give the equation of inventory turnover ratio.

(12 × ¼ = 3 weightage)

Part B*Answer all nine questions.**Each question carries a weightage of 1.*

- 13 Give three important use of funds flow statement.
- 14 What do you mean by intra firm analysis ?
- 15 State the difference between contribution and profit.
- 16 Give a note on funds flow statement.
- 17 What do you mean by comparative balance sheet ?
- 18 What is interest coverage ratio ?
- 19 What are the constituents of complete financial statement ?
- 20 What do you mean by margin of safety ?
- 21 List out the limitations of funds flow statement.

(9 × 1 = 9 weightage)

Part C (Short Essay or Paragraph Questions)*Answer any five questions.**Each question carries a weightage of 2.*

- 22 Distinguish between funds flow statement and balance sheet.
- 23 Explain Du Pont control chart.
- 24 From the following information prepare a comparative balance sheet of Deepthi Ltd.

<i>Particulars</i>	31.3.2011 Rs. in lakh	31.3.2012 Rs. in lakh
Equity share capital ...	50	50
Fixed assets ...	60	72
Reserves and surplus ...	10	12
Investments ...	10	10
Long term loan ...	30	30
Current assets ...	30	21
Current liabilities ...	10	11

- 25 X Ltd. has current ratio 2.5 and working capital 90,000. Find out current assets and current liabilities.

26 Find out P/V ratio, Fixed Cost by the following information :

Period	Sales	Cost	Profit
I ...	1,20,000	1,11,000	9,000
II ...	1,40,000	1,27,000	13,000

27 Find out debtors turnover ratio and average collection period from the following :-

	31.3.2011	31.3.2012
	Rs.	Rs.
Annual credit sales ...	5,00,000	6,00,000
Debtors at the beginning ...	80,000	1,00,000
Debtors at the end ...	1,00,000	1,20,000

28 Calculate the fund from operation from the following of A Ltd.

Profit and Loss a/c

To	Rs.	By	Rs.
Expenses :		Gross profit ...	2,00,000
Operation ...	1,00,000	Gain on sale of plant ...	20,000
Depreciation ...	40,000		
Loss on sale of building ...	10,000		
Advertisement ...	5,000		
Suspense a/c			
Discount (customers) ...	500		
Discount on issue of shares written-off ...	500		
Goodwill ...	12,000		
Net profit ...	52,000		

(5 × 2 = 10 weightage)

Part D (Essay Questions)

Answer any two questions.

Each question carries a weightage of 4.

29 Define responsibility accounting. Explain its concepts and centres.

30 From the following information make out a statement of proprietors funds with as many details as possible :

Current ratio 2.5

Liquid ratio 1.5

Proprietary ratio (fixed assets/proprietors fund) 0.75

Working capital 60,000

Reserves and Surplus 40,000

Bank overdraft 10,000

There is no long term loan or factious assets.

Turn over

31 You are given the following data for the year 2012 for a factory :

- Output 40,000 units
- Fixed expense Rs 2,00,000
- Variable expense (per unit) 10
- Selling price (per unit) 20

Draw a break-even chart showing the break-even point.

How many units must be produced and sold if the selling price is reduced by 10% in order to give the same profit ? Show by break-even chart what will be the new break-even point?

(2 × 4 = 8 weightage)

Part D (Essay Questions)	
Net profit	Rs. 12,000
Goodwill	12,000
Shares written off	500
Discount on issue of shares	500
Discount (customers)	500
Stamp duty etc.	500
Advertisement	5,000
Loss on sale of building	10,000
Depreciation	40,000
Operating Expenses	1,00,000
To Expenses	1,00,000
By Gross profit	2,00,000
Gain on sale of plant	20,000