

D 30037

(Pages : 5)

Name.....

Reg. No.....

**FIFTH SEMESTER (CUCBCSS-UG) DEGREE EXAMINATION
NOVEMBER 2022**

B.B.A.

BBA VB 07—ACCOUNTING FOR MANAGEMENT

(2017–2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)

*Answer all **ten** questions.
Each question carries 1 mark.*

Choose the correct answer :

1. Management Accounting provides invaluable services to management in performing _____.
(a) All management functions. (b) Co-ordination function.
(c) Controlling function. (d) None of these.
2. Which among the following do not belong to the category of Accounting ?
(a) Management accounting. (b) Financial accounting.
(c) Cost accounting. (d) None of these.
3. _____ is the amount of expenditure (actual or notional) incurred on or attributable to a given thing.
(a) Expense. (b) Costing.
(c) Cost. (d) None of these.
4. In _____ types of analysis financial statements for a number of years are reviewed and analysed.
(a) Internal analysis. (b) Horizontal analysis.
(c) External analysis. (d) None of these.
5. Ratio of Net sales to Net working capital is _____.
(a) Working capital turnover ratio. (b) Profitability ratio.
(c) Liquidity ratio. (d) None of these.

Turn over

Fill in the blanks :

6. A cost which changes in proportion to changes in volume of activity is called _____.
7. ABC system is used for _____ allocation.
8. Marginal cost is the cost of producing _____ unit of output.
9. Cash Flow Statement is a Statement which describes inflows and outflows of _____.
10. Ratio of Net profit before interest and tax to sales is _____.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

Answer any **eight** out of the ten questions in two or three sentences.
Each question carries 2 marks.

11. What are trend ratios ?
12. What are the limitations of financial statements ?
13. What is price earning ratio ?
14. What is 'Source from operations' ?
15. How to treat 'proposed dividend' while preparing fund flow statement ?
16. Define Marginal cost.
17. What is CVP analysis ?
18. What is a responsibility centre ?
19. Find out current liabilities and inventory when current asset are Rs. 50,000, current ratio is 3 :1.5 and quick ratio 1.5 : 10.
20. Calculate P.V. ratio from the following :
Sales – Rs. 6,00,000, Variable cost – Rs. 4,50,000, Fixed cost – Rs. 1,00,000.

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

Answer any **six** out of the eight questions in about 200 words.
Each question carries 4 marks.

21. What is meant by Ratio Analysis ? Discuss its objects and limitations ?
22. Explain any four responsibility centres.

23. Calculate gross profit ratio, operating ratio and expense ratio from the following :

| | Rs. | | Rs. |
|-----------------|-----------|---------------------------|----------|
| Opening stock | 76,250 | Administration expenses | 1,01,000 |
| Purchases | 31,15,250 | Selling and Dis. expenses | 12,000 |
| Direct expenses | 7,000 | Sales | 5,00,000 |
| Closing stock | 98,500 | | |

24. The following relate to XYZ Ltd.

| | Rs. |
|------------------------|--------|
| Variable cost per unit | 15 |
| Fixed cost | 54,000 |
| Selling price per unit | 20 |

Calculate Break even sales. What should be the selling price per unit of break-even point should be brought down to 6,000 units ?

25. A company estimates variable costs to be Rs. 30 per unit and fixed cost to be Rs. 3,00,000 per year. Plant capacity is set at 20,000 units per year. It is estimated that 10,000 units can be sold at a price of Rs. 100.

At what price would the sales of 20,000 units yield same amount of profit that the company had been realising on the sale of Rs. 10,000 units at Rs. 100 each.

26. Calculate Debtors velocity from the following details :

| | Rs. |
|---|--------|
| Opening balance of Debtors | 10,000 |
| Credit sales during the year | 20,000 |
| Sales returns | 1,000 |
| Discount on sales | 50 |
| Cash collected from Debtors during the year | 5,000 |
| Bad debts | 500 |
| Bad debts provision at 10%. | |

27. Differentiate between Management Accounting and Cost Accounting.

Turn over

28. From the following Income statement of X Ltd. Prepare a comparative income statement and interpret the results :

| | | (Amount in Lakhs) | |
|------------------------------------|-----|-----------------------------|-------------------|
| | | For the year ended 31 March | |
| | | 2017 | 2018 |
| | | Rs. | Rs. |
| Net sales | | 1370 | 1442 |
| <i>Less</i> : Cost of goods sold | | 838 | 926 |
| Gross profit | | <u>532</u> | <u>516</u> |
| <i>Less</i> : Operating expenses : | | | |
| Administrative expenses | 94 | 92 | |
| Selling expenses | 188 | 282 | 274 |
| Operating profit | | <u>250</u> | <u>242</u> |
| Add : other income-dividend | | 44 | 50 |
| | | <u>294</u> | <u>292</u> |
| <i>Less</i> : other deductions | | 44 | 44 |
| Net profit before tax | | 250 | 248 |
| <i>Less</i> : Income tax | | 124 | 124 |
| Net profit after tax | | <u><u>126</u></u> | <u><u>124</u></u> |

(6 × 4 = 24 marks)

Part IV (Essay Questions)

*Answer any **two** out of three questions in about 800 words.
Each question carries 15 marks.*

29. What do you mean by Ratio analysis ? Give a brief account of various profitability ratios and leverage ratios.
30. Explain the scope and functions of Management Accounting.

31. From the following balances extracted from R and D Ltd. as on 31st December 2017 and 2018, you are required to prepare a schedule of changes in working capital and a Fund flow statement.

Balance Sheet as on 31st December

| <i>Liabilities :</i> | 2017 | 2018 | | 2017 | 2018 |
|------------------------------|----------|----------|----------------------|----------|----------|
| | Rs. | Rs. | | Rs. | 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 |
| P and L a/c | 16,000 | 13,000 | Investment | 10,000 | 21,000 |
| Creditors | 8,000 | 5,400 | Stock | 30,000 | 23,400 |
| Bills payable | 1,200 | 800 | Bills receivable | 2,000 | 3,200 |
| Provision for tax | 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 |

Additional information :

- i) Depreciation charged on plant was Rs. 4,000.
- ii) Provision for taxation Rs. 19,000 was made during the year 2018.
- iii) Interim dividend of Rs. 8,000 was paid during the year.
- iv) A piece of machinery was sold for Rs. 8,000 during the year 2018. It had costed Rs. 12,000, depreciation of Rs. 7,000 has been provided on it.

(2 × 15 = 30 marks)

D 10043

(Pages : 3)

Name.....

Reg. No.....

FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS—UG)

B.B.A.

BBA VB 07—ACCOUNTING FOR MANAGEMENT

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)*Answer all ten questions. Each question carries 1 mark.*

Choose the correct answer :

1. The _____ management is mainly concerned with the policy decisions.
 - (a) Top.
 - (b) Middle.
 - (c) Bottom.
 - (d) All of these.
2. Cost Accounting and Management Accounting are _____ in nature.
 - (a) Complementary.
 - (b) Contrary.
 - (c) Different.
 - (d) Similar.
3. _____ analysis is also known as Dynamic analysis.
 - (a) Internal.
 - (b) Horizontal.
 - (c) External.
 - (d) Vertical.
4. Ratio of Net profit before interest and tax to sales is _____.
 - (a) Operating profit ratio.
 - (b) Operating ratio.
 - (c) Capital gearing ratio.
 - (d) Solvency ratio.
5. The overall increase/decrease in working capital is found out by preparing _____.
 - (a) Fund Flow Statement.
 - (b) Cash Flow Statement.
 - (c) Statement showing changes in working capital.
 - (d) None of these.

Fill in the blanks :

6. Direct costs are also known as _____.
7. The ratio of contribution to _____ is P/V ratio.
8. _____ liabilities are those which are intended to be paid in the ordinary course of business within a short period.
9. _____ is the amount of expenditure incurred on or attributable to a given thing.
10. Margin of safety is that sales which is above _____.

(10 × 1 = 10 marks)

Turn over

Part II (Short Answer Questions)

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

Each question carries 2 marks.

11. What is Management Accounting?
12. What are the objectives of financial statements?
13. What are common size statements?
14. What is EPS?
15. What is meant by 'Networking capital'?
16. What is a statement of cash flow?
17. What is P.V. Ratio?
18. What is a key factor?
19. Find out current ratio and quick ratio if Current assets are 120,000, Current liabilities 80,000 and Value of inventory is Rs. 40,000.
20. From the following information, calculate P/V ratio, Break-even point and margin of safety :

| | | |
|------------------------|---|---------------|
| Total output | – | 10,000 units. |
| Selling price per unit | – | 20 |
| Variable cost per unit | – | 12 |
| Fixed cost | – | Rs. 40,000. |

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

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

Each question carries 4 marks.

21. Explain different solvency ratios.
22. A company has capital of Rs. 10,00,000 ; its turnover is 3 tonnes the capital and the margin on sales is 6%. What is the return on investment?
23. From the following information, interpret the results of operations of manufacturing concern using trend ratios :

For the year ended 31st March

| | 2015 | 2014 | 2013 | 2012 |
|----------------------|--------------|--------------|--------------|--------------|
| Sales (net) | 13,000 | 12,000 | 9,500 | 10,000 |
| Cost of goods sold | <u>7,280</u> | <u>6,980</u> | <u>5,890</u> | <u>6,000</u> |
| Gross Profit | 5,720 | 5,040 | 3,610 | 4,000 |
| Selling expenses | <u>1,200</u> | <u>1,100</u> | <u>970</u> | <u>1,000</u> |
| Net Operating Profit | 4,520 | 3,940 | 2,640 | 3,000 |

24. From the following information of ABC Ltd., calculate for equity shares :
- Earnings per share ; and
 - Price - earning ratio.
- Profits before tax : 20,00,000 ; Tax rate : 35%,
 Equity share capital : Rs. 30,00,000 (30,000 equity shares of Rs. 100 each)
 10% preference share capital : Rs. 10,00,000 (10,000 shares of Rs. 100 each)
 In spite of the current global recession, the market price of ABC Ltd's one equity share is Rs. 160.
25. The following relate to JJ Ltd. for a particular period :
- Sales 20,000 units @ Rs. 20 each.
 Variable cost per unit Rs. 10
 Fixed cost of the concern Rs.100,000.
- Calculate : (i) P/V Ratio, (ii) Break-even unit , (iii) Break-even sales, (iv) Margin of safety.
26. What is margin of safety? How is it calculated?
27. What are the stages in Activity Based Costing?
28. The following are the ratio of the trading activities of ABC Ltd :
- Debtors Velocity – 3 months.
 Gross profit ratio – 25%
- Gross profit for the year amounts to Rs. 4,00,000.
 Calculate : (i) Sales ; and (ii) Sundry Debtors.

(6 × 4 = 24 marks)

Part IV (Essay Questions)*Answer any two out of three questions in about 800 words.**Each question carries 15 marks.*

29. What is a Fund Flow Statement? Briefly explain the elements of a fund flow statement.
30. Explain the significance of Responsibility Accounting in the current scenario.
31. The following details relate to the manufacture of two products J and K :

| | Product J | Product K | (per unit) |
|-----------------------------------|-----------|-----------|------------|
| Sales price | 80 | 100 | |
| Material (Rs. 10 per kg.) | 20 | 40 | |
| Direct wages (Rs. 4 per hour) | 28 | 20 | |
| Variable overhead | 4 | 10 | |
| Total fixed overhead – Rs. 12,000 | | | |

Which of the product would you recommend under each of the following circumstances :

- Total sales potential in units is limited.
- Raw material is in short supply.

(2 × 15 = 30 marks)

D 90043

(Pages : 4)

Name.....

Reg. No.....

**FIFTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION
NOVEMBER 2020**

(CUCBCSS—UG)

B.B.A.

BBA VB 07—ACCOUNTING FOR MANAGEMENT

Time : Three Hours

Maximum : 80 Marks

Section A (Objective Questions)

Answer all ten questions.

Each question carries 1 mark.

Choose the correct answer :

1. The basic function of Management Accounting is to :
 - (a) Record all business transactions.
 - (b) Interpret the financial data.
 - (c) Assist the management in performing its functions effectively.
 - (d) None of these.
2. Management Accounting has _____ scope than cost accounting.
 - (a) Wider.
 - (b) Narrow.
 - (c) No.
 - (d) None of these.
3. The overall increase/decrease in working capital is found out by preparing :
 - (a) Fund Flow statement.
 - (b) Cash Flow Statement.
 - (c) Statement showing changes in Working Capital.
 - (d) None of these.
4. The analysis done by investors, creditors, credit agencies and Government agencies who have no access to internal records of a company is known as _____.
 - (a) Internal analysis.
 - (b) Horizontal analysis.
 - (c) External analysis.
 - (d) None of these.

Turn over

5. _____ are prepared so as to provide time perspective to the consideration of various elements of financial position.
- (a) Comparative Statement. (b) Common Size Statement.
- (c) Both of these. (d) None of these.

Fill in the Blanks :

6. A centre where the manager is responsible for sales is _____.
7. Indirect costs are also known as _____.
8. At Break-even point contribution will be equal to _____.
9. Cash according to Cash Flow Statement comprises of _____.
10. Ratio of Net Sales to Net Working Capital is _____.

(10 × 1 = 10 marks)

Section B (Short Answer Question)

Answer at least five questions.

Each question carries 4 marks.

All questions can be attended.

Overall ceiling 20.

11. What are Financial Statements ?
12. State the uses of Financial ratios.
13. What is Inventory Turnover ratio ?
14. Define Management Accounting.
15. Do all transactions create flow of funds ? Give examples.
16. What is Contribution ?
17. What is B.E.P. ?
18. What is meant by Responsibility Accounting ?
19. Calculate current assets when current ratio is 2.5 : 1 and current liabilities— is ₹. 1,00,000.
20. Sales during a period is ₹. 10,00,000. Its P/v ratio is 40 % and profit is ₹. 1,50,000. Find out contribution and fixed cost.

(5 × 4 = 20 marks)

Section C (Short Essay Question)

Answer at least four questions.

Each question carries 8 marks.

All questions can be attended.

Overall ceiling 32.

21. Distinguish between Fund Flow Statement and Cash Flow Statement.

22. What are the characteristics of Marginal Costing ?

23. The following relate to a concern :

Sales—₹. 20,00,000, P/v ratio—20%

Margin of safety ratio—30 %.

Calculate :

(i) Break-even Sales.

(ii) Profit earned by the concern.

(iii) Sales to earn a profit of ₹. 2,00,000.

24. The ratio of variable cost of sales is given as 70 %. The break-even point occurs at 60 % of capacity sales. Find the capacity sales when fixed costs are ₹. 1,50,000.

25. Calculate Gross Profit Ratio :

| | ₹. |
|--------------------|------------|
| Cost of Goods sold | : 2,58,000 |
| Sales | : 3,60,000 |
| Sales Returns | : 60,000 |

26. Ram and company supplies you the following information regarding the year ended 31st December 2018 :

| | ₹. |
|---------------|------------|
| Cash Sales | : 80,000 |
| Credit Sales | : 2,00,000 |
| Return inward | : 10,000 |
| Opening Stock | : 25,000 |
| Closing Stock | : 30,000 |

Gross Profit ratio is 25 %

Find the inventory turnover ratio.

Turn over

27. The cost of a component X011 manufactured to assemble cycles is as under :

| | ₹. |
|--------------------|----|
| Direct material | 16 |
| Direct labour | 12 |
| Variable overheads | 10 |
| Fixed overheads | 8 |
| Cost per unit | 46 |

The same component can be obtained from other manufacturers at ₹. 42 each. The company requires 10,000 units of the components per annum. Should the firm manufacture it or buy from outside?

28. "Responsibility Accounting lays emphasis on Human Aspect". Explain.

(4 × 8 = 32 marks)

Section D (Essay Questions)

Answer any one questions.

The question carries 18 marks.

29. Briefly explain recent trends in Management reporting.
30. Explain how marginal costing helps the management in making decisions on some of the crucial management problems.
31. ABC Ltd., gives you the following information for the year ended 31st March 2018 :
- 1 Sales for the year totalled ₹. 96,00,000 (cash sales)
 - 2 Cost of goods sold was 60 % of sales.
 - 3 Closing inventory was higher than opening inventory by 43,000.
 - 4 Trade creditors on 31st March 2018 exceeded those on 31st March 2017 by ₹. 23,000.
 - 5 Tax paid amounted to ₹. 7,00,000.
 - 6 Depreciation on fixed assets for the year was ₹. 3,15,000 whereas other expenses totalled ₹. 21,45,000 ; outstanding expenses on 31st March 2017 and 31st March 2018 totalled ₹. 82,000 and ₹. 91,000 respectively.
 - 7 New Machinery and Furniture Costing ₹. 10,27,500 were purchased during the year.
 - 8 A right issue was made of 50,000 equity shares of ₹. 10 each at a premium of ₹. 3 per share. Entire money received with applications.
 - 9 Dividends totalling ₹. 4,00,000 were distributed among shareholders.
 - 10 Cash in hand and at bank as at 31st March 2017 totalling ₹. 2,13,800.

You are required to prepare a cash flow statement using Direct Method.

(1 × 18 = 18 marks)

FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2019

(CUCBCSS—UG)

B.B.A.

BBA VB 07—ACCOUNTING FOR MANAGEMENT

Time : Three Hours

Maximum : 80 Marks

Part I (Objective Questions)*Answer all ten question.*

Choose the correct answer :

1. Management accounting involves :
 - (a) Recording transactions.
 - (b) Classifying of transactions.
 - (c) Preparation of financial transactions.
 - (d) Analysis and interpretation of data.
2. Marketable securities are included in
 - (a) Current assets.
 - (b) Current liabilities.
 - (c) Fixed assets.
 - (d) None of these.
3. A fund flow statement is prepared
 - (a) At any time.
 - (b) Before preparing profit and loss account.
 - (c) Before preparing balance sheet.
 - (d) After preparing balance sheet.
4. Management accounting information is used by :
 - (a) Share holders.
 - (b) Creditors.
 - (c) Management.
 - (d) Government agencies.
5. When fixed cost is deducted from contribution, the balance will be _____.
 - (a) Variable cost.
 - (b) Profit.
 - (c) Total cost.
 - (d) Sales.

Turn over

Fill in the blanks :

6. Management accounting deals with financial and _____.
7. The balance sheet discloses the _____ of a business.
8. _____ ratio is also called working capital ratio.
9. Marginal costing is a _____ of costing.
10. In responsibility accounting the organisation is divided into different _____.

(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. 60,000
Profit Volume ratio 20%.
Calculate Contribution.
12. Define management accounting.
13. What do you understand by ratio analysis ?
14. What are solvency ratios ?
15. What do you mean by Responsibility accounting ?
16. Define cash flow statement.
17. Current ratio 2.5 ; Working capital Rs. 90,000. Calculate current assets and current liabilities.
18. What do you mean by fund flow statement ?
19. Define marginal cost.
20. Break-Even Point Rs. 80,000
Profit Volume ratio 20%
Calculate Fixed cost.

(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 is given :
Current Liabilities Rs. 2,00,000
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. 1,60,000

Purchases Rs. 4,80,000

Carriage on purchases Rs. 40,000

Sales Rs. 8,00,000

Closing stock Rs. 1,20,000

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

Sales Rs. 1,00,000

Opening Stock Rs. 10,000

Gross Profit on sales 10%

Closing stock Rs. 20,000

Creditor's velocity 73 Days

Bills Payable Rs. 6,000

24. Calculate Break-Even point from the following :

Fixed Expenses Rs. 3,00,000

Variable per unit Rs. 10

Selling Price Rs. 15

25. Explain the limitations of ratio analysis.

26. Explain the scope of management accounting.

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

Sales Rs. 2,87,500

Sales returns Rs. 7,500

Current assets Rs. 1,00,000

Current liabilities Rs. 60,000

Turn over

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

| <i>Liabilities</i> | As on 31 st December | | <i>Assets</i> | As on 31 st December | |
|--------------------|---------------------------------|----------|---------------|---------------------------------|----------|
| | 2014 | 2015 | | 2014 | 2015 |
| Share Capital | 40,000 | 45,000 | Fixed assets | 50,000 | 66,000 |
| Creditors | 10,000 | 23,000 | Stock | 80,000 | 90,000 |
| P and L Account | 2,30,000 | 2,50,000 | Debtors | 1,20,000 | 1,15,000 |
| | | | Cash at bank | 30,000 | 47,000 |
| | 2,80,000 | 3,18,000 | | 2,80,000 | 3,18,000 |

(6 × 4 = 24 marks)

Part IV (Essay Questions)

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

29. PK Ltd., furnishes you the following data relating to the year 2014 :

| | | First half of the year | Second half of the year |
|------------|-----|------------------------|-------------------------|
| | | 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 :

- The Profit volume ratio.
 - The fixed expenses.
 - The break even sales.
 - Percentage of margin of safety.
30. What are the advantages and limitations of Responsibility accounting ?
31. Give a brief description of various ratios for analysis of liquidity, solvency and profitability of the firm.

(2 × 15 = 30 marks)

D 50567

(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2018

(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. A fund flow statement is prepared to disclose :
 - (a) The result of operation.
 - (b) The change in the financial position.
 - (c) The financial position.
 - (d) None of these.
2. Management accounting uses :
 - (a) Past data only.
 - (b) Past and present data.
 - (c) Present and future data.
 - (d) Past, present and future data.
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. 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.
5. 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.

Turn over

Fill in the blanks :

6. Current ratio is the ratio of current assets to _____.
7. A cost centre is a segment of the organisation where the manager is responsible for _____.
8. Marginal costing is a _____ of costing.
9. Management accounting information is used by parties _____ to the organisation.
10. Responsibility accounting is also called _____ accounting.

(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. 1,80,000
Profit Volume ratio 20%.
Calculate Contribution.
12. What is margin of safety ?
13. Current ratio 2.5 ; Working capital Rs. 1, 20,000. Calculate current assets and current liabilities.
14. From the following data calculate :
 - (a) PV ratio.
 - (b) Profit when sales are Rs. 1,60,000.Fixed expenses Rs. 32,000.
Break-even sales Rs. 80,000.
15. Calculate fixed cost from the following data :
Break-Even Point Rs. 40,000
Profit Volume ratio 20%
16. What are solvency ratios ?
17. What do you mean by Responsibility accounting ?
18. What do you mean by fund flow statement ?
19. Explain the meaning of cash flow statement.
20. What is marginal cost ?

(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 is given :

Current Liabilities Rs. 15,000

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. 8,000

Purchases Rs. 24,000

Carriage on purchases Rs. 2,000

Sales Rs. 40,000

Closing stock Rs. 6,000

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

Sales Rs. 1,25,000

Opening Stock Rs. 25,000

Gross Profit on sales 10%

Closing stock Rs. 50,000

Creditor's velocity 73 Days

Bills Payable Rs. 15,000

24. Calculate Break-Even point from the following :

Fixed Expenses Rs. 30,000

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 ?

Turn over

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

Sales Rs. 63,750

Sales returns Rs. 3,750

Current assets Rs. 20,000

Current liabilities Rs.10,000

28. From the following balances extracted from ABC Co. Ltd. as on 31-12-2015 and 2016, you are required to prepare a schedule of changes in working capital :

| <i>Liabilities</i> | As on 31 st December | | <i>Assets</i> | As on 31 st December | |
|--------------------|---------------------------------|----------|----------------------|---------------------------------|----------|
| | 2015 | 2016 | | 2015 | 2016 |
| Share Capital | 2,00,000 | 2,40,000 | Fixed assets | 2,52,000 | 2,64,000 |
| General reserve | 60,000 | 72,000 | Stock | 96,000 | 1,48,000 |
| P and L Account | 16,000 | 26,000 | Debtors | 1,00,000 | 92,000 |
| Debentures | 1,20,000 | 1,00,000 | Cash at bank | 32,000 | 24,000 |
| Creditors | 68,000 | 64,000 | Preliminary Expenses | 8,000 | 6,000 |
| Provision for tax | 24,000 | 32,000 | | | |
| | 4,88,000 | 5,34,000 | | 4,88,000 | 5,34,000 |

(6 × 4 = 24 marks)

Part IV (Essay Questions)

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

29. Give a brief description of various ratios for analysis of liquidity, solvency and profitability of the firm.
30. "Marginal costing is a valuable aid for managerial decisions". Discuss.
31. From the following information, prepare a Balance Sheet. Show the workings :

| | | |
|---|-----------------------------------|--------------|
| 1 | Working Capital | Rs. 3,00,000 |
| 2 | Reserve and Surplus | Rs. 4,00,000 |
| 3 | Bank Overdraft | Rs. 2,40,000 |
| 4 | Current Ratio | 1.75 |
| 5 | Liquid Ratio | 1.15 |
| 6 | Fixed Assets to Proprietor's Fund | 0.75 |
| 7 | Long-term liabilities | Nil |

(2 × 15 = 30 marks)

C 278

(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.B.A. DEGREE EXAMINATION, NOVEMBER 2017

(CUCBCSS—UG)

BBA VB 07—ACCOUNTING FOR MANAGEMENT

Time : Three Hours

Maximum : 80 Marks

Part I

*Objective Questions.
Answer all ten questions.
Each question carries 1 mark.*

Choose the correct answer :

1. Turnover ratios indicate.
 - (a) Liquidity.
 - (b) Profitability.
 - (c) Efficiency in the use of resources.
 - (d) None of these.
2. Management accounting involves :
 - (a) Recording transactions.
 - (b) Classifying of transactions.
 - (c) Preparation of financial transactions.
 - (d) Analysis and interpretation of data.
3. A fund flow statement is prepared :
 - (a) At any time.
 - (b) Before preparing profit and loss account.
 - (c) Before preparing balance sheet.
 - (d) After preparing balance sheet.
4. When fixed cost is deducted from contribution, the balance will be _____.
 - (a) Variable cost.
 - (b) Profit.
 - (c) Total cost.
 - (d) Sales.
5. Management accounting is an extension of :
 - (a) Cost accounting.
 - (b) Financial accounting.
 - (c) Management theory.
 - (d) None of these.

Turn over

Fill in the blanks :

6. _____ are the final products of accounting.
7. The balance sheet discloses the _____ of a business.
8. _____ ratio is also called working capital ratio.
9. _____ statement is another name of profit and loss account.
10. _____ is the excess of sales over marginal cost.

(10 × 1 = 10 marks)

Part II (Short Answer Questions)

*Answer any eight out of the ten questions in two or three sentences.
Each question carries 2 marks.*

11. Sales Rs. 1,50,000.
Profit Volume ratio 20 %.
Calculate Contribution.
12. Define marginal costing.
13. Current ratio 2.5 ; Working capital Rs. 1,80,000. Calculate current assets and current liabilities.
14. From the following data calculate :
 - (a) PV ratio.
 - (b) Profit when sales are Rs. 80,000.Fixed expenses Rs. 16,000.
Break even sales Rs. 40,000.
15. Calculate fixed cost from the following data :—
Break Even Point Rs. 60,000.
Profit Volume ratio 20 %.
16. Define management accounting.
17. What do you understand by ratio analysis ?
18. Define cash flow statement.
19. What are liquidity ratios ?
20. What do you mean by Break even point ?

(8 × 2 = 16 marks)

Part III (Short Essay Questions)

*Answer any six out of the eight questions in about 200 words.
Each question carries 4 marks.*

21. The following information relating to a company is given.

Current Liabilities Rs. 30,000.

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. 16,000.

Purchases—Rs. 48,000.

Carriage on purchases—Rs. 4,000 .

Sales—Rs. 80,000.

Closing stock—Rs. 12,000.

23. Findout the value of creditors from the following :—

Sales—Rs. 75,000.

Opening Stock—Rs. 15,000.

Gross Profit on sales 10 %.

Closing stock—Rs. 30, 000.

Creditor's velocity 73 Days.

Bills Payable—Rs. 9,000.

24. Calculate Break Even point from the following :—

Fixed Expenses—Rs. 60,000.

Variable per unit—Rs. 10.

Selling Price—Rs. 15.

25. Mention the limitations of financial statements.

26. Explain the limitations of ratio analysis.

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

Sales Rs. 1,23,750 ; Sales returns Rs. 3,750 ; Current assets Rs. 40,000 ; Current liabilities Rs. 20, 000.

Turn over

28. From the following balances extracted from XYZ Co. Ltd. as on 31-12-2015 and 2016, you are required to prepare a schedule of changes in working capital.

| <i>Liabilities</i> | <i>As on 31st December</i> | | <i>Assets</i> | <i>As on 31st December</i> | |
|-------------------------|---------------------------------------|----------|----------------------|---------------------------------------|----------|
| | 2015 | 2016 | | 2015 | 2016 |
| Share Capital | 1,00,000 | 1,20,000 | Fixed assets | 1,26,000 | 1,32,000 |
| General reserve | 30,000 | 36,000 | Stock | 48,000 | 74,000 |
| Profit and Loss Account | 8,000 | 13,000 | Debtors | 50,000 | 46,000 |
| Debentures | 60,000 | 50,000 | Cash at bank | 16,000 | 12,000 |
| Creditors | 34,000 | 32,000 | Preliminary Expenses | 4,000 | 3,000 |
| Provision for tax | 12,000 | 16,000 | | | |
| | 2,44,000 | 2,67,000 | | 2,44,000 | 2,67,000 |

(6 × 4 = 24 marks)

Part IV (Essay Questions)

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

Each question carries 15 marks.

29. Explain the advantages of management accounting.
30. Ratio analysis is a tool of management for measuring efficiency and guiding business policies- Discuss.
31. From the following information, prepare a Balance Sheet. Show the workings :—

| | | |
|--|-----|--------------|
| (a) Working Capital | ... | Rs. 1,50,000 |
| (b) Reserve and Surplus | ... | Rs. 2,00,000 |
| (c) Bank Overdraft | ... | Rs. 1,20,000 |
| (d) Current Ratio | ... | 1.75 |
| (e) Liquid Ratio | ... | 1.15 |
| (f) Fixed Assets to Proprietor's Fund | ... | 0.75 |
| (g) Long-term liabilities | ... | Nil |

(2 × 15 = 30 marks)