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(Pages : 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2024

(UG—CBCSS)

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A

*Answer all questions.
Each question carries 2 marks.*

1. What is management accounting ?
2. What is external analysis ?
3. Describe trend analysis.
4. What is comparative balance sheet ?
5. What do you mean by solvency ratio ?
6. Explain P/E Ratio,
7. Calculate EPS :
Equity share capital (Rs.10 each)-Rs. 9,00,000
Rate of tax-50 % of net profit
Net profit before tax-Rs. 1,80,000
8. Explain the significance of capital gearing ratio.
9. Define fund flow statement.
10. Explain the treatment of proposed dividend as a non-current liability.
11. What do you mean by cash equivalents ?
12. What are the objectives of cash flow statement ?
13. What is margin of safety ?

Turn over

14. Explain CVP analysis.
15. A company estimates that next year it will earn a profit of Rs. 50,000. The budgeted fixed cost and sales are Rs. 2,50,000 and Rs. 10,00,000 respectively. Find out the break even point for the company.

(15 × 2 = 30, Maximum ceiling 25 marks)

Part B

Answer all questions.

Each question carries 5 marks.

16. Differentiate management accounting and financial accounting.
17. Calculate trend percentages from the following taking 2015 as base year and interpret the results :

Year	:	2015	2016	2017	2018	2019
Revenue from operation	:	100000	130000	148000	170000	196000
Gross profit	:	50000	64000	70000	86000	100000

18. From the following data, calculate collection period :

Total sales = 6,00,000

Cash sales = 1,00,000

Debtors on 1-1-2020 = 50,000

Debtors on 31-12-2020 = 70,000

Bills receivable on 1-1-2020 = 30,000

Bills receivable on 31-12-2020 = 50,000

19. What is ratio analysis ? State its objectives.

20. Describe the applications of fund :

Receipts	Rs.	Payment	Rs.
To balance b/d	1,00,000	By Cash purchases	6,00,000
„ cash sales	16,00,000	„ Payment to suppliers	14,00,000
„ Receipt from customers	20,00,000	„ Wages and salaries	4,00,000
„ issue of shares	14,00,000	„ Rent, rates and taxes	2,00,000

Receipts	Rs.	Payment	Rs.
„ Sale of machinery	3,00,000	„ Income tax	6,00,000
„ Sale of investment	6,00,000	„ Dividend paid	1,60,000
		„ repayment of bank loan	8,00,000
		„ Purchase of plant	4,40,000
		„ Balance c/d	14,00,000
	60,00,000		60,00,000

22. What is break even-chart ? List out its assumptions.

23. You are given the following information:

Fixed cost = 15,000

Variable cost = 20,000

Total cost = 35,000

Net profit = 5,000

Net sales = 40,000

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

(8 × 5 = 40, Maximum ceiling 35 marks)

Part C

Answer any **two** questions.

Each question carries 10 marks.

24. What is financial statement analysis ? Explain its importance and limitations.

25. From the following, prepare balance sheet of ABC Ltd.

- Sales for the year-Rs.20,00,000
- G/P ratio-25 %
- Current ratio-1.5
- Acid test ratio-1.25

Turn over

- (e) Stock turnover ratio -15
- (f) Debtors' collection period-1.5 months
- (g) Turnover of fixed assets-1.5 months
- (h) Ratio of reserves to share capital-1/3
- (i) Fixed assets to net worth 5/6

Hint : Here, the term turn-over means cost of sales and the term stock refers to closing stock.

26. PQR company budgets for a production of 1,50,000 units. The variable cost per unit is Rs. 14 and fixed cost is Rs. 2 per unit. The company fixes its selling price to fetch a profit of 15% on cost.
- (a) What is the B.E.P. ?
 - (b) What is the P/V Ratio ?
 - (c) If it reduces its selling price by 5 % how does the revised selling price affect the B.E.P. and the P/V Ratio ?
 - (d) If a profit increase of 10 % is desired more than the budget, what should be the sale at the revised price ?
27. What do you mean by funds flow statement ? State its objectives. Explain its importance.

(2 × 10 = 20 marks)

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**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023**

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. Define management accounting.
2. Define financial statements.
3. What is interfirm comparison ?
4. What do you mean by trend ratio ?
5. What is break-even point ?
6. What is angle of incidence ?
7. What is P/V ratio ?
8. Current ratio is 2.5 : 1. Current liability is 20,000. Calculate values of current assets and working capital.
9. List out leverage ratios.
10. Calculate solvency ratio, 8 % debenture-4,00,000 ; Loan from ICICI -6,00,000 ; Current liabilities 5,00,000; non-current assets 30,00,000 ; current assets 15,00,000.
11. What is key factor ?
12. What is fund from operation ?
13. List out any *four* sources of fund.
14. What is cash flow statement ?
15. What is marginal cost ?

(15 × 2 = 30, maximum ceiling 25 marks)

Turn over

Part B*Answer all questions.*

16. What are the differences between cost accounting and management accounting ?
17. What are the limitations of financial statement analysis ?
18. What are the objectives of accounting ratios ?
19. What are the advantages of marginal costing ?
20. Ram Ltd. Decided to bear the higher education cost of five brilliant students belonging to the weaker section of the society. Following is the statement of Profits and Loss of Ram Ltd for the year ended 31-03-2022 :

<i>Particulars</i>	<i>Amount</i>
Income	
Revenue from operations	2,00,000
Other income	15,000
Total revenue	2,15,000
Expenses :	
Cost of material consumed	1,10,000
Other expenses	5,000
Total expenses	1,15,000
Tax	40,000

You are required to prepare a common size statement of Profits and Loss of Ram Ltd for the year ended 31-03-2022.

21. From the following details calculate :
 - (i) Fixed assets turnover ratio ; and
 - (ii) Working capital turnover ratio.

Revenue from operations during 2022	...	6,00,000
Fixed assets during 2022	...	2,00,000
Current assets, 2022	...	3,00,000
Current liabilities, 2022	...	2,00,000

22. A Ltd has two machines X and Y producing similar products. The details of cost structure and sales are given below :

	Machine X	Machine Y
Total capacity (units)	1,00,000	1,50,000
Fixed cost	1,50,000	4,00,000
Variable cost per unit	35	30
Selling price per unit	60	60

- a) Calculate break-even point of each machinery.
 b) Calculate indifference point of these machineries.
23. From the following information estimate net cash from operating activities :

Cash revenue from operations (cash sales)	...	20,000
Collections from debtors	...	80,000
Payment to suppliers	...	35,000
Payment to employees	...	15,000
Business expenses met.	...	20,000
Sale of fixed assets	...	10,000
Income tax paid	...	12,500

(8 × 5 = 40, maximum ceiling 35 marks)

Part C

Answer any **two** questions.

24. From the following information, prepare a summarized balance sheet as on 31-03-2022 :

Working capital	...	1,20,000
Reserves and surplus	...	80,000
Bank overdraft	...	20,000
Proprietary ratio	...	0.75 (fixed asset : shareholder's fund)
Current ratio	...	2.5
Liquidity ratio	...	1.5

Turn over

25. A plant is running at present at 50% capacity due to global depression, the following details are available.

	Cost per unit
Direct material	2
Direct labour	1
Variable overhead	3
Fixed overhead	2
Total cost	8

Production per month	20,000 units
Total cost of production	1,60,000
Total sales (20,000 @ 7)	1,40,000
Loss	(20,000)

An exporter offers to buy 20,000 units per month at the rate of 6.50 per unit and the company seeks your advice whether to accept this offer or not.

26. From the following balance sheet of ABC Ltd for the year ending 31-12-21 and 2022, Prepare :
- 1 Schedule of changes in working capital
 - 2 A statement showing sources and application of funds

Balance Sheet

<i>Particulars</i>	Note no	2021	2022
I. EQUITY AND LIABILITIES			
1) Shareholder's fund			
Share capital		4,00,000	5,75,000
Reserves and surplus (P and L A/c)		14,000	31,000
2) Share application money pending allotment			
3) Noncurrent liabilities			
4) Current liabilities			
Trade payables (creditors)		1,06,000	70,000
Total		5,20,000	6,76,000

<i>Particulars</i>	Note no	2021	2022
II. ASSETS			
1) Noncurrent assets			
Fixed assets			
Tangible assets (land and building)		75,000	1,00,000
2) Current assets			
Inventories (stock)		1,21,000	1,36,000
Trade receivables (debtors)		1,81,000	1,70,000
Cash and cash equivalents		1,43,000	2,70,000
Total		5,20,000	6,76,000

27. Give proforma of cash flow statement (direct method) with imaginary figures.

(2 × 10 = 20 marks)

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NOVEMBER 2022**

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.**Each question carries 2 marks.*

1. Define management accounting.
2. What is intra firm analysis ?
3. What do you mean by common size statements ?
4. Explain notes to account.
5. Describe absolute liquidity ratio.
6. Explain the relevance of debt-equity ratio.
7. What is EPS ?
8. Total sales = 5,20,000 ; Sales returns = 20,000 ; Cost of goods sold 4,00,000 Calculate gross profit ratio.
9. What is schedule of changes in working capital ?
10. Explain funds from operation.
11. What do you mean by cash flows from financing activities?
12. State the objectives of cash flow statement.
13. What is contribution ?
14. From the following information calculate : 1. P/V Ratio ; 2. Breakeven point in Units ; and 3. Breakeven point in Value.
Selling price per unit Rs.20, Variable cost per unit Rs.12, Fixed costs Rs.32000.
15. Explain cost volume profit analysis.

(15 × 2 = 30, Maximum ceiling 25 marks)

Turn over

Part B*Answer all questions.**Each question carries 5 marks.*

16. Explain the limitations of management accounting.
17. What is financial analysis ? Explain various tools used for financial analysis.
18. Calculate the current ratio from the following information : Working capital Rs. 9,60,000 ; Total debts Rs. 20,80,000 ; Long-term Liabilities Rs. 16,00,000 ; Stock Rs. 4,00,000 ; prepaid expenses Rs. 80,000.
19. Explain the following :
- Working capital turnover ratio
 - Dividend yield ratio.

20. Calculate cash flows from financing activities :

	31-3-2019	31-3-2020
Equity share capital	8,00,000	12,00,000
12% Preference share capital	3,00,000	—
14% Debentures	—	2,00,000

Additional information :

- Equity shares were issued at a premium of 15%.
 - 12% Preference shares were redeemed at a premium of 5%.
 - 14% Debentures were issued at a discount of 10%.
 - Interim dividend paid on Equity shares Rs. 1,00,000.
 - Dividend paid on Preference shares Rs. 24,000.
 - Interest paid on Debentures Rs.14,000.
 - Underwriting commission on Equity shares Rs. 20,000.
21. Calculate funds from operations from the information given below as on 31st March 2020 :
- Net profit for the year ended 31st march 2020-6,50,000
 - Gain on sale of building Rs. 35,500
 - Goodwill appears in the books at Rs 1,80,000 out of that 10% has been written off during the year.

- 4 Old machinery worth Rs. 8,000 has been sold for 6,500 during the year
- 5 Rs. 1,25,000 has been transferred to the general reserve fund
- 6 Depreciation has been provided during the year on machinery and furniture at 20% whose total cost is 6,50,000

22. The following data have been obtained from the records of a manufacturing firm :

	Period I	Period II
Sales	3,00,000	3,20,000
Total cost	2,60,000	2,72,000

Calculate : 1. Break even sales ; 2. Profit when sales are Rs.360000 ; and 3. Sales required to earn a profit of Rs.5000

23. Differentiate marginal costing and absorption costing.

(8 × 5 = 40, Maximum ceiling 35 marks)

Part C

Answer any two questions.

Each question carries 10 marks.

24. Calculate the trend percentages from the following figures of ABC Ltd. Taking 2015 as the base and interpret them.

Year	Sales	Stock	Profit before Tax (Rs. In lakhs)
2015	1881	709	321
2016	2340	781	435
2017	2655	816	458
2018	3021	944	527
2019	3768	1154	672

25. What is fund flow statement? Write its uses and limitations.

Turn over

26. From the following information you are required to prepare a Balance sheet :

1	Current liabilities	–	1,00,000
2	Reserves and surplus	–	50,000
3	Bills payable	–	40,000
4	Debtors	–	35,000
5	Current ratio	–	1.75
6	Acid test ratio	–	1.15
7	Fixed assets to proprietors fund	–	0.75
8	Ratio of fixed assets to current assets	–	3

27. Define marginal costing. Explain the managerial uses of marginal costing.

(2 × 10 = 20 marks)

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FIFTH SEMESTER U.G. DEGREE EXAMINATION, NOVEMBER 2021

(CBCSS—UG)

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2019 Admissions)

Time : Two Hours and a Half

Maximum : 80 Marks

Section A*Answer at least ten questions.**Each question carries 3 marks.**All questions can be attended.**Overall Ceiling 30.*

1. Define Management Accounting.
2. What is horizontal analysis ?
3. State any *four* utilities of common size statements.
4. What do you mean by Income Statement ?
5. Explain the significance of quick ratio.
6. What is turn-over ratio ?
7. Calculate : (a) Current assets ; and (b) Current liabilities.
Current ratio = 2.5. Working capital = 60,000.
8. What is EPS ?
9. Indicate whether the following transactions would affect fund :
 - (a) Rs. 10,000 collected from debtors.
 - (b) Issue of bonus shares.
10. What do you mean by flow of fund ?
11. Explain cash flow statement.
12. What do you mean by non-cash items ?

Turn over

13. What is CVP analysis ?

14. Calculate P/V ratio :

The sales turnover and profits during two periods are as under :

Period I : Sales Rs. 20 lakhs ; Profit Rs. 2 lakhs

Period II : Sales Rs. 30 lakhs ; Profit Rs. 4 lakhs.

15. List out the significance of break-even chart.

(10 × 3 = 30 marks)

Section B

Answer at least five questions.

Each question carries 6 marks.

All questions can be attended.

Overall Ceiling 30.

16. Differentiate management accounting and cost accounting.

17. Explain the significance of financial statement analysis.

18. Cost of revenue from operations—Rs. 6,00,000.

Inventory turnover ratio—6 times.

Find out the value of opening stock if opening stock is—Rs. 10,000 less than the closing stock.

19. What are the limitations of ratio analysis ?

20. From the following information, calculate funds from operation :

	Rs.
Net profit for the year 31-12-2020	3,00,000
Depreciation provided during the year	70,000
Loss on sale of machinery	6,000
Profit on sale of investments	10,000
Provision for tax made during the year	1,60,000
Goodwill written-off	40,000
Preliminary expenses written-off	10,000
Dividends received	20,000
Interim dividends paid	40,000
Advertisement expenses paid	50,000
Refund of tax	5,000

21. Explain cash flows from operating activities.
22. From the following data, calculate :
- Break-even point expressed in amount of sales in rupees.
 - Number of units that must be sold to earn a profit of Rs. 1,00,000 in a year.
- | | |
|-----------------------------|------------------------|
| Selling price | ... Rs. 20/unit. |
| Variable manufacturing cost | ... Rs. 10/unit |
| Variable selling cost | ... Rs. 5/ unit |
| Fixed factory overhead | ... Rs. 5,40,000/ year |
| Fixed selling cost | ... Rs. 2,52,000/year |
23. The following information is extracted from ABC Ltd. for the year 2020.
Sales - 20,000, Variable cost - 10,000, Fixed costs - 6,000.
- Find : (a) P/V ratio ; (b) Break-even point ; and (c) Margin of safety.
- Also show the effect of 10 % increase in selling price.

(5 × 6 = 30 marks)

Section C*Answer any two questions.**Each question carries 10 marks.*

24. From the following information, prepare common size income statement :

<i>Particulars</i>	2019	2020
	Rs.	Rs.
Revenue from operations	... 20,00,000	30,00,000
Other income	... 1,00,000	10,00,000
Tax	... 1,00,000	4,00,000
Depreciation	... 1,50,000	3,00,000
Cost of materials consumed	... 5,00,000	10,00,000
Employee benefit expenses	... 3,00,000	5,00,000

25. What is marginal costing ? Explain the application of marginal costing techniques.

Turn over

26. From the following information of XYZ Ltd., you are required to prepare a Balance Sheet :

Sales for the year 2020	...	10,00,000
Fixed asset to net worth	...	1.25
Capital gearing ratio	...	0.5
Fixed assets turnover ratio	...	1.6
Reserves and surplus to capital	...	0.6
Debt collection period	...	1.5 months
Gross profit ratio	...	20%
Stock turnover ratio	...	8 (based on closing stock)
Liquid ratio	...	1.0
Current ratio	...	1.4

27. The balance sheets of PQR, a partnership firm, as on 1-1-2019 and 31-12-2019 are given below :

<i>Liabilities</i>	1-1-2019	31-12-2019	<i>Assets</i>	1-1-2019	31-12-2019
Capital	1,25,000	1,53,000	Buildings	35,000	60,000
Loan from Mr. P	25,000	-----	Land	40,000	50,000
Loan from Canara bank	40,000	50,000	Machinery	80,000	55,000
Creditors	40,000	44,000	Stock	35,000	25,000
			Debtors	30,000	50,000
			Cash in hand	10,000	7,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year a Machine costing Rs. 10,000 (accumulated depreciation Rs. 3,000) was sold for Rs. 5,000. The provision for depreciation against machinery as on 1-1-2019 was Rs. 25,000 and on 31-12-2019, Rs. 40,000. Net profit for the year 2019 amounted to Rs. 45,000. You are required to prepare :

- A schedule of changes in working capital.
- A Funds Flow statement.

(2 × 10 = 20 marks)