

D 10499

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Name.....

Reg. No.....

**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)