

D 50470

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Name.....

Reg. No.....

**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)