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(Pages : 4)

Name.....06.....

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 weight)

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 weight)

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-ev

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

	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 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 weightag