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Reg. No.....

FIFTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION NOVEMBER 2015

(UG-CCSS)

	Cor	e Cou	rse
BC 5B	07/BB VB 07—ACC	OUNT	ING FOR MANAGEMENT
: Three Hours			Maximum: 30 Weightage
Answer all twelve	questions :—		The Court of the C
Choose the corr			
1 Which of ratio?	ne of the following iter	ns is n	ot taken into account while computing current
(a) S	Sundry creditors.	(b)	Sundry debtors.
(c) I	rurniture.	(d)	Bank overdraft.
2 The stoc	k turnover ratio is —	-	
(a) I	Financial ratio.	(b)	Activity ratio.
(c) S	Solvency ratio.	(d)	Profitability ratio.
3 Increase	in the amount of prepare	aid exp	enses result in ———.
(a)]	Increase in cash.	(b)	Decrease in cash.
(c) 1	No change in cash.	(d)	None of these.
4 Sale of	building results into —	was.	Phone 1050, CO to mile, Bolish Strike, beat, Riverson,
(a)	Source of fund.	(b)	Application of fund.
(c)	No flow of fund.	(d)	None of these.
Fill in the blanks	: :		
5 EBIT d	ivided by total assets ra	tio is –	
6 At BEP	, the total cost is equal	to —	ente?
7 Total co	ost of fixed cost and pro	fit is ca	lled ———,
8 The Ra	tio of earnings that are	distrib	outed through dividends is called ———.
Give one word:			26 The following information relation to
9 Name	the ratio which is applic	cable to	'Higher the ratio, the lower the profitability'.
10 Name	the ratio that deals wi	th the	relationship between two items appearing in the

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.

 $(12 \times \frac{1}{4} = 3 \text{ weigh})$

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?

 $(9 \times 1 = 9 \text{ weig})$

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. . 4,00,000

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

27 From the following balances extracted from BC Co. Ltd. as on 31-12-2010 and 2011, you are required to prepare a schedule of changes in working capital.

Liabilities	As on 31st	December	Assets	As on 31st December	
	2010	2011		2010	2011
	Rs.	Rs.	20,000	Rs.	Rs.
Share Capital	40,000	45,000	Fixed assets	50,000	66,000
Creditors	10,000	23,000	Stock	80,000	90,000
Profit and Loss			Debtors	1,20,000	1,15,000
Account	2,30,000	2,50,000	Cash at bank	30,000	47,000
	2,80,000	3,18,000	ere of margin of antety	2,80,000	3,18,000

28 What are the major inflows and out flows from financing activities?

 $(5 \times 2 = 10 \text{ weightage})$

IV. Answer any two questions. Each question carries a weightage of 4:

29	Debtor's velocity	3 months
	Creditor's velocity	2 months
	Stock velocity	8 times
	Capital turnover ratio	2.5 times
	Fixed assets turnover ratio	8 times
	Gross profit turnover ratio	25%

Gross profit in a year amounts to Rs. 80,000. There is no long term loan or overdraft. Reserves and surplus amount to Rs. 28,000. Liquid assets are Rs. 97,333. Closing stock of the year is Rs. 2,000 more than the opening stock. Bills receivable amounts to Rs. 5,000 and Bills payable to Rs. 2,000.

Find out:

- (a) Sales
- (b) Sundry debtors.
- (c) Closing stock.
- (d) Sundry creditors.
- (e) Fixed assets.
- (f) Proprietor's fund

Make out the balance sheet with as many details as possible.

Turn over

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 as incurred equally in the two half year periods, calculate the following for the year 2013:

- (a) The Profit volume ratio.
- (b) The fixed expenses.
- (c) The break-even sales.
- (d) Percentage of margin of safety.
- 31 "Marginal costing is a valuable aid for managerial decisions". Discuss.

 $(2 \times 4 = 8 \text{ weightag})$