

15U343

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Name:

Reg. No.....

THIRD SEMESTER B.C.A. DEGREE EXAMINATION, NOVEMBER 2016

(CUCBCSS - UG)

CC15U BCA3 C05 - FINANCIAL & MANAGEMENT ACCOUNTING

(Complementary Course)

(2015 Admission)

Time: Three Hours

Maximum: 80 Marks

Part A

(Answer all questions, Each question carries 1 mark)

Fill in the blanks

1. The statement containing various ledger balances on a particular date is known as _____.
2. When financial statement for a number of years are reviewed and analyzed, the analysis is _____.
3. The difference between current assets and current liabilities is called _____.
4. _____ is the graphic presentation of break even analysis.
5. If gross profit is 25% on cost, it is _____ % on sales.

Choose the correct answers.

6. Double entry system owes its origin to
a) Adam Smith b) Lucas Pacioli c) Kohler d) Henry Fayol
7. The ratio which measures efficiency in management of asset is
a) Liquidity ratio b) Turnover ratio c) Profitability ratio d) Solvency ratio
8. Sales budget is
a) Expenditure budget b) Master budget c) Functional budget d) Cash budget
9. Depreciation on fixed assets is
a) an application of fund b) a source of fund c) not a flow of fund d) none of these
10. At break-even point contribution will be equal to
a) profit b) fixed cost c) variable cost d) total cost

(10 x 1 = 10 Marks)

Part B

(Answer all questions, Each question carries 2 marks)

11. What are the components of current ratio?
12. Give an example of horizontal and vertical analysis?
13. X.Ltd has current ratio 2.5 and working capital Rs.1, 20,000. Find out current assets and current liabilities?
14. Find out break-even point from the following:
Fixed cost Rs.20,000, Variable cost Rs.2 per unit, Selling Price Rs.4 per unit.

(1)

15. Calculate capital gearing ratio from the following information :

| | |
|--------------------------|--------------|
| Equity share capital | Rs.40,00,000 |
| Debentures | Rs.16,00,000 |
| Preference share capital | Rs. 5,00,000 |
| Loan | Rs. 7,00,000 |

(5 x 2 =10 Marks)

Part C

(Answer any five questions, Each question carries 4 marks)

16. Distinguish between fund flow statement and cash flow statement?

17. Explain the objectives of management accounting.

18. What is standard costing? State the advantages of standard costing.

19. From the following balances calculate cash from operating activities :

| | 31/3/2015 | 31/3/2016 |
|-----------------------------|-----------|-----------|
| B/R | 25,000 | 20,000 |
| Debtors | 70,000 | 85,000 |
| Prepaid expenses | 2,600 | 2,400 |
| Income received in advance | 1,500 | 1,200 |
| Creditors | 16,000 | 18,000 |
| B/P | 15,000 | 13,000 |
| Outstanding expenses | 4,500 | 5,000 |
| Profit made during the year | ---- | 45,000 |

20. The following figures are extracted from the trading account of Z. You are required to calculate stock turnover ratio:

| | Rs. |
|-------------------|----------|
| Opening stock | 60,000 |
| Purchases | 2,35,000 |
| Purchases returns | 15,000 |
| Direct expenses | 20,000 |
| Gross profit | 1,50,000 |
| Gross sales | 4,25,000 |
| Sales returns | 5,000 |
| Closing stock | 30,000 |

21. Calculate 'Funds from Operations' from the following Profit & Loss A/c of ABC Ltd.

| | Rs. | | Rs. |
|--------------------------------|----------|-----------------------|----------|
| To Salaries | 10,000 | By Gross profit | 1,00,000 |
| To Rent | 6,000 | By Profit on sale of | |
| To Depreciation | 14,000 | machine | 15,000 |
| To Transfers to General | 20,000 | By Refund of Tax | 3,000 |
| Reserve | 10,000 | By Dividends Received | 2,000 |
| To Provision for Tax | 17,000 | | |
| To Discount on Issue of shares | 3,000 | | |
| To Preliminary Expenses | 10,000 | | |
| To Net Profit | 30,000 | | |
| | 1,20,000 | | 1,20,000 |

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22. In a factory standard estimates for material for the manufacture of 1,000 units of product Z is 400 Kg. at Rs. 2.50 per kg. When 2,000 units of product Z produced it is found that 825 kg of materials are consumed at Rs.2.70per kg. Calculate material variances.
23. Prepare a comparative income statement from the following information:

| Particulars | 2015 (Rs.) | 2016 (Rs.) |
|--------------------|---------------------|---------------------|
| Sales | 40,00,000 | 50,00,000 |
| Cost of goods sold | 60% of sales | 50% of sales |
| Operating expenses | 20% of gross profit | 20% of gross profit |
| Income tax | 40% | 40% |

(5 x 4= 20 Marks)

Part D

(Answer any five questions, Each question carries 8 marks)

24. What is a budgetary control system? State the advantages of budgetary control in an organization.
25. Explain how marginal costing technique is useful in day-to-day decision making.
26. Describe briefly the major tools used in the financial statement analysis.
27. From the following Trial Balance, you are required to prepare Trading and Profit and Loss Account for the year ending 31st March, 2015 and a Balance Sheet on that date.

| Debit Balances | Rs. | Credit Balances | Rs. |
|------------------|----------|------------------|----------|
| Opening Stock | 7,000 | Sales | 1,14,000 |
| Purchases | 58,000 | Purchase returns | 1,500 |
| Carriage Inward | 1,500 | Sundry creditors | 12,000 |
| Wages | 12,000 | Capital | 1,50,000 |
| Sales returns | 2,250 | Commission | 2,500 |
| Rent | 6,000 | | |
| Discount | 1,000 | | |
| Cash in Hand | 9,000 | | |
| Cash at Bank | 47,000 | | |
| Furniture | 14,000 | | |
| Sundry Debtors | 16,000 | | |
| Drawings | 4,000 | | |
| Buildings | 80,000 | | |
| Bad debts | 1,250 | | |
| Salaries | 18,000 | | |
| Bills receivable | 3,000 | | |
| Total | 2,80,000 | | 2,80,000 |

Adjustments: (a) Closing stock on 31.3.2015 was Rs.7,500 ; (b) Furniture is to be depreciated by 5% per annum; and (c) Salaries outstanding Rs.2,000.

28. The following figures of sales and profits for two periods are available in respect of a concern:

| | Sales (Rs.) | Profit (Rs.) |
|-----------|-------------|--------------|
| Period I | 1,00,000 | 15,000 |
| Period II | 1,20,000 | 23,000 |

You are required to find out: (a) P/V Ratio (b) Fixed Cost (c) Break Even Point (d) Profit at an estimated sale of Rs.1,25,000 (e) Sales required to earn a profit of Rs. 20,000.

29. PQR Ltd. has prepared the budget for the production of 1,00,000 units from a costing period as under :

| | Per unit(Rs.) |
|-------------------------------------|---------------|
| Raw materials | 10.00 |
| Direct labour | 3.00 |
| Direct expenses | 0.40 |
| Work overhead (60% fixed) | 10.00 |
| Administration overhead (80% fixed) | 1.60 |
| Sales overhead (50% fixed) | 2.00 |

Actual production in the period was only 60,000 units. Prepare budgets for the original and revised levels of output.

30. From the following Balance sheet of X Co. Ltd., You are required to prepare a schedule of changes in working Capital and Fund Flow Statement.

| | Dec 31,2014(Rs.) | Dec 31,2015(Rs.) |
|----------------------------------|------------------|------------------|
| <u>Assets :</u> | | |
| Land and Building | 50,000 | 50,000 |
| Plant | 24,000 | 34,000 |
| Stock | 9,000 | 7,000 |
| Debtors | 16,500 | 19,500 |
| Cash at bank | 4,000 | 9,000 |
| <u>Capital and liabilities :</u> | | |
| Capital | 80,000 | 85,000 |
| P & L Appropriation A/c | 14,500 | 24,500 |
| Creditors | 9,000 | 5,000 |
| Mortgage | --- | 5,000 |

31. Given: Debtors Turnover Ratio = 4 times, Creditors Turnover Ratio = 6 times, Inventory Turnover Ratio = 8 times, Gross Profit Ratio= 25%.Gross profit during the year amounts to Rs.80,000. Ending inventory of the year is Rs.2,000 above the beginning inventory. Bills receivable amount of Rs.5,000 and bills payable are Rs. 2,000. Find out:

(a)Sales (b) Purchases (c) Sundry debtors (d) Sundry creditors (e) Closing stock

(5 x 8 = 40 Marks)

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