Liabilities:		
Creditors	1,80,000	2,05,000
Bank loan (long term)	1,50,000	2,25,000
Capital	7,40,000	7,45,000
	10,70,000	11,75,000

During the year, drawings by the proprietor for personal use amounted to Rs. 1,50,000. Provision for depreciation on machinery stood at Rs. 1,35,000 on January 1<sup>st</sup> and at Rs. 1,80,000 on 31<sup>st</sup> December.

- 31. Assuming that the cost structure and selling price remains the same in year I and year II, find out
  - a) P/V ratio
  - b) Break even sales
  - c) Break even units
  - d) Profit when sales are Rs. 2,00,000
  - e) Sales required to earn a profit of Rs. 40,000
  - f) Margin of safety in two periods

Period	Sales	Profit
I year	2,40,000	18,000
II year	2,80,000	26,000

 $(2 \times 15 = 30 \text{ Marks})$ 

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(4)

18U536	(Pages	s: 4)	Name:
			Reg. No
FIFTH SEMESTER B			XAMINATION, NOV. 2020
	(CUCBC (Regular/Supplement	,	
CC17U BCP5 BC	1 - ACCOUNTING	• •	
	(Core C	ourse)	
	(2017 Admissi	ion onwards)	
Time: Three Hours			Maximum: 80 Marks
	Par		
Ansv	ver <i>all</i> questions. Eac	th question carries 1	mark.
A. Choose the correct answer:			
1. The use of manageme	nt accounting is:		
a) Compulsory		b) Obligatory	
c) Optional		d) None of these	2
2. Depreciation of machine	inery is:		
a) Source of funds		b) Application of	of funds
c) None of these		d) None of these	e
3. If PV ratio is 40% and	I sales value is Rs. 10	,000, the variable co	ost will be
a) 4,000	b) 6,000	c) 5,000	d) None of these
4. A statement in which	each asset is shown a	as a percentage of to	tal assets and each liability and
capital is shown as pe	rcentage of total liabi	lity is known as:-	
a) Comparative balance	ce sheet	b) Common size	e balance sheet
c) Trend percentages		d) None of these	2
5. Total fixed cost is equ	al to total contributio	n, profit will be:-	
a) Positive	b) Negative	c) Zero	d) None of these
B. Fill in the blanks:			
6. Liquid ratio is also kn	own as		
7. Preparation of financia	al statements is neces	sary under	law.
8. Issue of capital will m	ean in w	vorking capital.	
9. Contribution minus fix	xed cost is equal to _		
10. The cost	ing technique helps ir	n decision making ar	nd also in controlling cost.
			$(10 \times 1 = 10 \text{ Marks})$
	Part B		
Answer any	eight questions. Each	question carries 2 r	narks.
11. Describe the term "ca	pital employed".		
12. State any two limitation	ons of cash flow state	ment.	

(1)

**Turn Over** 

- 13. How is margin of safety calculated?
- 14. Write a brief note on cost volume-profit analysis.
- 15. What is the scope of management accounting?
- 16. Compare horizontal and vertical analysis.
- 17. What is debt equity ratio?
- 18. What do you mean by cash flow statement?
- 19. What is contribution?
- 20. What is working capital?

 $(8 \times 2 = 16 \text{ Marks})$ 

## Part C

Answer any six questions. Each question carries 4 marks.

- 21. Distinguish between fund flow statement and cash flow statement.
- 22. What are the importance of management accounting?
- 23. What are the objectives and importance of financial statement analysis?
- 24. What are the advantages of marginal costing?
- 25. From the following data, prepare a comparative statement of profit and loss.

	31/03/2016	31/03/2015
Revenue from operations	40,00,000	30,00,000
Cost of material consumed (% of revenue from operation)	60%	70%
Employee benefit expenses	5,00,000	2,00,000
Income tax rate	40%	40%

26. From the following information, calculate:

a) Return on capital employed

b) Return on share holders fund

Liabilities	Amount	Assets	Amount
Share capital	2,00,000	Fixed assets	16,00,000
Reserves	4,00,000	Current assets	4,00,000
10% Debentures	12,00,000		
Creditors	2,00,000		
	20,00,000		20,00,000

Profit before tax is Rs.

Rs. 2,40,000

Tax rate

40%

27. You are required to calculate breakeven sales from the following data.

**Profit** 

Rs. 5,000 (20% of sales)

P V Ratio

50%

(2)

18U536

 $28. \ After \ taking \ into \ account \ the \ under \ mentioned \ items \ Ganga \ Ltd. \ Made \ a \ net \ profit \ of \ Rs.$ 

2,00,000 for the year ended 31st December 2018

	Rs.
Loss on sale of machinery	20,000
Depreciation on building	8,000
Depreciation on machinery	10,000
Preliminary expenses written off	10,000
Provision for tax	20,000
Goodwill written off	10,000
Gain on sale of machinery	16,000

Find out cash from operation.

 $(6 \times 4 = 24 \text{ Marks})$ 

Part D

Answer any two questions. Each question carries 15 marks.

29. With the help of the following ratios draw the balance sheet of the company as on 31/03/2016.

Current ratio	2.5: 1
Liquidity ratio	1.5:1
Net working capital	3,00,000
Stock turnover ratio (cost of sales/closing stock)	6 times
Gross profit ratio	20%
Fixed asset turnover ratio (on cost of sales)	2 times
Debt collection period	2 months
Fixed asset to shareholder net worth	0.80
Reserve & surplus to capital	0.50

30. From the following particulars, prepare a fund flow statement.

	JAN 1	DEC 31
Assets:		
Cash	20,000	18,000
Debtors	1,75,000	1,92,000
Stock	1,25,000	1,10,000
Land	1,00,000	1,50,000
Building	2,50,000	2,75,000
Machinery	4,00,000	4,30,000
	10,70,000	11,75,000

(3) Turn Over