

31. Prepare a cash flow statement.

Liabilities	2023	2024	Assets	2023	2024
Share capital	500000	700000	Land and building	80000	120000
Profit and loss a/c	100000	160000	Plant and machinery	500000	800000
General reserve	50000	70000	Stock	100000	75000
Sundry creditors	153000	190000	Sundry debtors	150000	160000
Bills payable	40000	50000	cash	20000	20000
Outstanding expenses	7000	5000			
	850000	1175000		850000	1175000

Additional information:

- Rs 50000 depreciation has been charged on plant and machinery during the year 2023-24
- a piece of machinery was sold for Rs 8000 during the year 2023-24. It had cost Rs 12000, depreciation of Rs 7000 had been provided on it.

(2 × 15 = 30 Marks)

(4)

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(Pages: 4)

Name:

Reg. No:

FIFTH SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOV. 2024

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC17U BCP5 B19 – ACCOUNTING FOR MANAGERIAL DECISIONS

(Core Course)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

PART A

Answer *all* questions. Each question carries 1 mark.

Choose the correct answer:

- The tools for financial statement analysis are:
 - Comparative financial statement
 - Commonsize statement
 - Trend analysis
 - All of the above
- The fixed assets include:
 - Furniture
 - Payments in advance
 - Stock in trade
 - Accounts receivables
- Long term solvency ratio is the same as:
 - Current ratio
 - Acid test ratio
 - Debt equity ratio
 - All of the above
- The primary goal of management accounting is to:
 - Interpret the financial data
 - Record all business transaction
 - Provide information for planning, decision making
 - None of these
- The ratio used to show relationship between fixed interest-bearing funds and non-fixed interest-bearing funds:
 - Interest coverage ratio
 - Capital gearing ratio
 - Current ratio
 - Acid test ratio
- Building sold on credit is ----- fund
- Contribution is the difference between sales and -----
- When P/V ratio is 40% and sales value is Rs 10000 the variable cost will be -----
- Cost of goods sold is the difference between sales and -----
- Operating profit to sales give us ----- ratio.

(10 × 1 = 10 Marks)

Part B (Short Answer Questions)

Answer any *eight* questions. Each question carries 2 marks.

- What are the limitations of ratio analysis?

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Turn Over

12. What is fund flow statement?
13. What are the differences between fund flow and cash flow statement?
14. What is solvency ratio?
15. What are the methods for financial statement analysis?
16. What is P/V ratio?
17. What are the advantages of solvency ratio?
18. What are the duties of a management accountant?
19. What is marginal costing?
20. State any four purposes of marginal costing?

(8 × 2 = 16 Marks)

Part C

Answer any *six* questions. Each question carries 4 marks.

21. "Management accounting is the best tool for the management to achieve higher profits"- explain.
22. You are given the following data for the costing year of a factory.

Budget output	-	100000 units
Fixed expenses	-	Rs. 500000
Variable expenses	-	Rs. 10 per unit
Selling price	-	Rs. 20 per unit

Compute the break even point. If the selling price is reduced to Rs 18 per unit, what will be the new break-even point?
23. Calculate opening debtors and closing debtors in the following cases:

Cash sales	-	100000
Cost of goods sold	-	300000
Gross profit	-	100000
Debtors turnover ratio	-	3 times

Closing debtors were Rs. 1,000,00 in excess of opening debtors.
24. From the following Balance Sheet of a company, you are required to prepare a commonsize Balance Sheet.

BALANCE SHEET AS ON 31st Dec

Liabilities	Amount	Assets	Amount
Equity share capital	125000	Plant and machinery	200000
Preference share capital	50000	Furniture	12140
Reserves	55000	Current assets	169500
Profit and loss a/c	35000		
Current liabilities	116640		
	381640		381640

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25. Explain the procedure for preparing a Fund Flow Statement
26. What do you mean by break even chart and explain its assumptions?
27. From the following information calculate break- even point and turnover required to earn a profit of Rs 36000

Fixed overhead-	Rs 180000
Variable cost-	Rs 2 per unit
Selling price-	Rs 20 per unit

If the company is earning a profit of Rs 36000 express the margin of safety available to it.
28. From the following details find out

(a) current assets		(b) current liabilities	
(c) liquid assets		(d) stock	
Current ratio	-	3.5	
Liquid ratio	-	2.5	
Working capital	-	Rs. 1,000,00	

(6 × 4 = 24 Marks)

Part D

Answer any *two* questions. Each question carries 15 marks.

29. Assume that a firm has owners equity of Rs 100000. The ratios of the firm are:

Current debt to total debt	-	0.40
Total debt to owners equity	-	0.60
Fixed assets to owners equity	-	0.60
Total assets turnover	-	2 times
Inventory turnover	-	8 times

Complete the following Balance Sheet

liabilities	Rs	Asset	Rs
Current debt -----		Cash	
Long term debt -----		Inventory	
Total debt		Total current assets	
Owner's equity		Fixed assets	
Total		Total	

30. Write a note on the importance of the following in relation to marginal costing:

a) break -even point	b) margin of safety
c) contribution	d) P/V ratio

(3)

Turn Over