

23U551

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Name:

Reg. No.....

FIFTH SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOV. 2025

(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.

I. Choose the correct answer:

1. The object of management accounting is?
 - a) Assist management in discharging its functions.
 - b) Recording of financial information.
 - c) Reporting information to outsiders
 - d) None of these.
2. Marketable securities are included in
 - a) Current assets
 - b) Current liabilities
 - c) Fixed assets
 - d) None of these
3. An increase in current asset means there is
 - a) Actual inflow of cash
 - b) Notional inflow of cash
 - c) Actual outflow of cash
 - d) Notional outflow of cash
4. When fixed cost is deducted from contribution, the balance will be
 - a) Total cost
 - b) Variable cost
 - c) Fixed cost
 - d) Profit
5. Trend percentages are calculated for
 - a) Assets only
 - b) Liabilities only
 - c) Net sales and cost of sales
 - d) For each item in the financial statement

II. Fill in the blanks:

6. Trend analysis is an example of analysis.
7. Dividend received on investments are shown as cash inflows under Activities
8. Marginal cost is the aggregate of prime cost and
9. Management accounting delas with financial and data.
10. Operating profit is equal to Gross profit minus

(10 × 1 = 10 Marks)

(1)

Turn Over

PART-B

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

11. Give any two limitations of cash flow statement.
12. What do you mean by PV ratio?
13. What are the objectives of management accounting?
14. What are solvency ratios? How are they interpreted?
15. Balance sheet of a company indicates that its current ratio is 3: 1. Net working capital is ₹ 80,000. Calculate current liabilities and current assets.
16. What do you mean by comparative analysis?
17. Distinguish between analysis and interpretation?
18. What is EPS?
19. Define the term 'cash' in the context of cash flow statement.
20. Define marginal costing.

(8 × 2 = 16 Marks)

PART-C

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

21. What are the advantages of marginal costing?
22. Differentiate between management accounting and financial accounting.
23. Calculate stock turnover ratio from the following data; opening stock ₹ 2,00,000, closing stock ₹ 2,40,000, purchase ₹ 5,00,000, wages ₹ 2,00,000 and sales ₹ 8,00,000.
24. You are given the following data: fixed costs ₹ 1,00,000, selling price per unit ₹ 30, variable cost per unit ₹ 22. Calculate
 - a) Break-even point in units
 - b) No. of units to be sold to earn a profit of ₹ 12,000
 - c) Profit when sales are 15,000 units.
25. Explain the difference between cash flow statement and fund flow statement.
26. From the following balance sheet as on 31st December 2020 & 2021 you are required to prepare a statement of change in working capital for 2021.

Balance sheet

	2020	2021		2020	2021
Share Capital	2,50,000	3,00,000	Plant and Machinery	2,70,000	3,65,000
Reserves and Surplus	40,000	70,000	Long Term Investment	1,00,000	50,000
Debentures	1,50,000	75,000	Debtors	75,000	1,00,000
Creditors	1,80,000	2,50,000	Stock	1,20,000	1,00,000
Outstanding Expense	35,000	25,000	Cash & Bank	60,000	85,000
			Preliminary Expense	30,000	20,000
	6,55,000	7,20,000		6,55,000	7,20,000

27. The liability side of the balance sheet of PQR Ltd. Reveals the following:

Equity share capital	₹ 3,00,000
8% preference share capital	₹ 1,00,000
10% debentures	₹ 2,00,000
Reserves & surplus	₹ 1,00,000
Bank loan	₹ 6,00,000
Sundry creditors	₹ 70,000
Bills payable	₹ 30,000

You are required to calculate:

- (a) Debt-equity ratio
- (b) Capital gearing ratio

28. What are the advantages of preparing fund flow statements?

(6 × 4 = 24 Marks)

PART-D

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

29. From the following balance sheet of A Ltd. and additional information make out the statement of cash flow.

Liabilities	2020	2021	Assets	2020	2021
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% redeemable pre. Shares	1,50,000	1,00,000	Land & building	2,00,000	1,70,000
General reserve	40,000	70,000	Plant	80,000	2,00,000
P & L Account	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills receivable	20,000	30,000
Bills payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for taxation	40,000	50,000	Cash at bank	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

- a) Depreciation of ₹ 10,000 and ₹ 20,000 have been charged on plant account and land & building accounts respectively in 2021.
- b) An interim dividend of ₹ 20,000 was paid in 2021.
- c) Income tax ₹ 35,000 was paid during the year 2021.

30. What are the recent trend in Management Accounting?

31. Explain the managerial uses of marginal costing and break-even analysis.

(2 × 15 = 30 Marks)
