

Adjustments:

- The premises were revalued during 2018-19 and profit on revaluation was credited to Capital Reserve A/c
- ₹. 4000 was received as dividend on investments including ₹. 1000 received out of pre-acquisition profit which was credited to Investment A/c
- Depreciation on Plant & Machinery ₹. 20000

Prepare Cash flow statement as per indirect method.

31. What is Ratio Analysis? Briefly explain the classification of Ratios?

(2 x 15 = 30 Marks)

(4)

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(Pages: 4)

Name.....

Reg. No.....

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2019

(CUCBCSS-UG)

CC17U BC5 B07 - ACCOUNTING FOR MANAGEMENT

(Core Course)

(2017 Admission Regular)

Time: Three Hours

Maximum: 80 Marks

Part A

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

- 1 Management Accounting is an extension of -----
(a) Cost Accounting (b) Financial Accounting
(c) Management Theory (d) None of these.
- 2 Which among the following is a Static statement?
(a) Income statement (b) Balance sheet
(c) Fund flow statement (d) Cash flow statement
- 3 If current liabilities are ₹. 20000 and current ratio is 3:1, Current assets will be -----
(a) ₹. 20000 (b) ₹. 40000 (c) ₹. 60000 (d) ₹. 50000
- 4 Issue of bonus shares by capitalising Reserves and Surplus is -----
(a) Source of funds
(b) Application of funds
(c) Both source and application of funds
(d) Neither source and Application of funds
- 5 P/V Ratio can be improved by increasing the -----
(a) Fixed cost per unit (b) Variable cost per unit
(c) Selling price per unit (d) Total cost per unit

Fill in the blanks:

6. Dividend received on investments are shown as cash inflows under ----- activities.
7. The cost of manufacturing an additional unit is called -----
8. When long term investments are sold for cash, there is ----- in working capital.
9. ----- ratio is also called working capital ratio.
10. Trend Analysis is an example of ----- analysis.

(10 x 1 = 10 Marks)

(1)

Turn Over

Part B

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

11. What is Responsibility Accounting?
12. What are Common Size statements?
13. What is Window Dressing?
14. Give any four examples of Application of funds.
15. What are Cash Equivalents?
16. What is Angle of Incidence?
17. What is Du Pont Control Chart?
18. Define Management Accounting.
19. What are Activity Ratios?
20. What is Statement of changes in Working capital?

(8 x 2 = 16 Marks)

Part C

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

21. What are the differences between Fund flow Statements and Cash flow Statements?
22. What are the limitations of Financial Statements?
23. What are the advantages of Marginal Costing?
24. Sales ` 625000, Variable Cost ` 375000, Fixed Cost ` 125000.
Calculate P/ V Ratio, BEP, Margin of safety and Sales required to earn a profit of Rs 75000
25. The net profit of X Ltd after considering the following items was ` 60000 for the year ended 31-03-2019
Depreciation on Assets ` 30000, Transfer to General Reserve ` 10000, Interim Dividend paid ` 15000, Goodwill written off ` 5000, Profit on sale of plant ` 3000.
Other Information:

Particulars	31-03-2018	31-03-2019
Stock	20000	16000
Debtors	32000	24000
Creditors	10000	15000
Cash	3000	5000

Compute cash flow from operating activities:

26. Current Ratio 3:1, Net working Capital ` 80000. Calculate Current assets and Current liabilities.

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27. Calculate Fund from Operation

Particulars	Amount	Particulars	Amount
To salaries	72000	By Gross profit b/d	340000
To rent & taxes	40000	By interest on investment	30000
To lighting expenses	20000	By profit on sale of machinery	20000
To audit fees	10000	By refund of income tax	10000
To depreciation	35000		
To preliminary expenses written off	5000		
To loss on sale of investment	3000		
To selling expenses	20000		
To provision for tax	75000		
To net profit c/d	120000		
Total	400000	Total	400000

28. Cost of goods sold is ` 320000. Stock Turnover Ratio is 8 times. Closing stock is ` 10000 more than Opening stock. Find the value of Opening Stock.

(6 x 4 = 24 Marks)

Part D

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

29. Prepare Balance sheet
Sales for the year ` 3000000, Gross profit ratio 25%, Fixed Assets turnover ratio 1.5, Stock Turnover Ratio 6 times, Current Ratio 1.5:1, Liquid Ratio 1:1, Debt collection Period 2 months, Reserves to share capital 0.6, Capital gearing ratio 0.5, Fixed assets to net worth 1.20
30. Star Ltd gives the following Balance sheets as at 31-3-2018 and 31-3-2019

Liabilities	31-3-2018	31-3-2019	Assets	31-3-2018	31-3-2019
Equity Share capital	100000	100000	Goodwill	15000	10000
Preference share	100000	200000	Premises	100000	120000
Capital Reserve	-	20000	Plant & machinery	60000	140000
P/L account	70000	66500	Investments	70000	80000
Creditors	17000	8500	Stock of materials	14000	22000
Bank overdraft	30000	15000	Stock of finished goods	32000	18000
			Debtors	24000	16000
			Bank	2000	4000
Total	317000	410000	Total	317000	410000

(3)

Turn Over