

A. Sales to net worth	=	2.3 times
B. Current debt to net worth	=	42%
C. Total debt to net worth	=	75%
D. Current ratio	=	2.9 times
E. Sales	=	Rs 32 Lakhs
F. Net sales to inventory	=	4.7 times
G. Average collection period	=	64 days
H. Fixed assets to net worth	=	53.2%

Follow necessary norms or standardized assumptions for substitution, if any, needed and provide notes for such assumptions.

30. What is meant by financial analysis? What are its advantages? Explain the methods of financial analysis.

31. The following information is provided to you by a manufacturing firm.

Particulars	Per Unit	
	Product A	Product B
Selling Price (Rs.)	100	120
Material Cost (Rs.)	10	15
Direct Wages (Rs.)	15	10
Direct Expenses (Rs.)	5	6
Fixed Overhead (Rs.)	5	10
Variable Overhead (Rs.)	15	20
Consumption of Material	2 Kg.	3 Kg.
Machine Hours Used	3 Hours	2 Hours

Direct wages per hour is Rs 5. Sales come to 500 units of A and 400 units of B. Fixed cost is Rs 25,000 in total. Prepare a marginal cost statement showing contribution and profit or loss.

Comment which product is to be selected and the reason for it (Both are using same resources) when:

- Total sales potential in unit is limited
- Total sales potential in value is limited
- Raw materials are in short supply
- Production capacity in terms of machine hours is the key factor.
- Labour hour is the limiting factor.

(2 x 15 = 30 Marks)

(4)

18U542S

(Pages: 4)

Name:

Reg. No.....

FIFTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, NOVEMBER 2020

(CUCBCSS-UG)

(Supplementary/Improvement)

CC15U BC5 B07/CC16U BC5 B07/CC15U BB5 B07 - ACCOUNTING FOR MANAGEMENT

(Core Course)

(B.B.A. - 2015 Admission onwards / B.Com. - 2015, 2016 Admissions)

Time: Three Hours

Maximum: 80 Marks

Part A

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

Fill in the blanks:

- is a statement showing the sources and application of funds during a period.
- is the additional cost of producing an additional unit of a product.
- is concerned with accounting information which is useful to management.
- are the statements of the financial position at different periods of time.
- If the current ratio is it means that the liquidity position of the firm is not good

Multiple choice:

- accounting becomes a source of information for Management Accounting.
(a) Financial (b) Cost (c) Both (a) and (b) (d) None of the above
- What does creditors turnover ratio take into account?
(a) Total credit sales (b) Total credit purchase
(c) Total cash sales (d) Total cash purchases
- Which of the following statements are true?
(A) Common-size balance sheet shows relative value of the various items.
(B) In the common size income statement, each product is represented as a percentage of the net sales figure.
(C) Common size income statements represent the various elements as a percentage of the gross profit.
(a) Both A and B (b) Both A and C (c) Both B and C (d) A, B, C
- Cash flow statement is based upon while Funds Flow Statement recognizes
(a) Cash basis of accounting, accrual basis of accounting
(b) Accrual basis of accounting, cash basis of accounting
(c) Both are based on cash basis of accounting
(d) None of the above

(1)

Turn Over

10. In marginal costing profitability of each product is measured on the basis of its
 (a) Cost (b) Profit (c) Contribution (d) None of the above

(10 x 1 = 10 Marks)

Part B

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

11. What do you mean by comparative statements?
 12. Explain turnover ratios.
 13. Define cost accounting.
 14. What do you mean by schedule of changes in working capital?
 15. Explain key factor.
 16. From the following particulars calculate BEP in Units.

Variable cost per unit	-	Rs 12
Selling price per unit	-	Rs 20
Fixed expenses	-	Rs 60,000

17. Calculate the amount of current assets and current liabilities from the following details. Current Ratio= 2.5, Working Capital= Rs 60,000
 18. What do you mean by cash from operations?
 19. Explain trend analysis.
 20. Explain the nature of management accounting.

(8 x 2 = 16 Marks)

Part C

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

21. Explain recent trends in management reporting.
 22. Prepare a common size statement from the following details and comment.

Profit and Loss Account (Amount in Lakhs)					
Particulars	2017	2018	Particulars	2017	2018
To Cost of Goods Sold	525	775	By Sales	850	1100
To Administrative Expenses	40	70			
To Net Profit	285	255			
	850	1100		850	1100

23. Calculate stock turnover ratio from the following details.

Opening stock	=	Rs 29,000
Closing stock	=	Rs 31,000
Sales	=	Rs 3,20,000
Gross Profit	=	25% on Sales

24. Explain the significance of fund flow statements.

25. Calculate cash from operating activities from the following details.

Particulars	Amount in Rupees	
	31-03-2018	31-03-2019
Goodwill	75,000	63,000
Profit & Loss Account	70,000	75,000
Outstanding Wages	22,000	6,000
Debtors	80,000	43,000
General Reserve	1,52,000	1,87,000
Prepaid Salaries	10,000	14,000
Bills Receivable	42,000	84,000

26. From the following data calculate

- A. Fixed Cost B. P/V Ratio
 C. BEP D. Sales required to earn a profit of Rs 6,000

Year	Total Sales (Rs.)	Total Cost (Rs.)
2018	42,000	38,000
2019	39,000	36,800

27. Work out the trend analysis from the following details and comment.

Particulars	Amount in Lakhs			
	2016	2017	2018	2019
Plant and Machinery	1,050	1,050	1,210	1,525
Cash	150	170	140	160
Other Current Assets	50	80	130	160
Debtors	210	260	340	405
Land	410	510	510	510
Stock	320	410	370	575
Building	810	1,050	1,210	1,520

28. Explain the scope of management accounting.

(6 x 4 = 24 Marks)

Part D

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

29. From the following details of a manufacturing company fill out the proforma balance sheet.

Proforma Balance Sheet			
Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Net worth	?	Fixed Assets	?
Long Term Debt	?	Cash	?
Current Debt	?	Stock	?
		Debtors	?
Total	?	Total	?