

**PART D**

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

29. Explain the scope of Management Accounting.

30. The Balance Sheet of Sun Ltd on 31.3.2018 and 31.3.2019 were as follows:

|           | 31.3.2018      | 31.3.2019      |
|-----------|----------------|----------------|
| Capital   | 375,000        | 459,000        |
| Bank loan | 120,000        | 150,000        |
| Debenture | 75,000         | -              |
| Creditors | <u>120,000</u> | <u>132,000</u> |
|           | <u>690,000</u> | <u>741,000</u> |
| Building  | 105,000        | 180,000        |
| Land      | 120,000        | 150,000        |
| Machinery | 240,000        | 165,000        |
| Stock     | 105,000        | 75,000         |
| Debtors   | 90,000         | 150,000        |
| Cash      | <u>30,000</u>  | <u>21,000</u>  |
|           | <u>690,000</u> | <u>741,000</u> |

During the year a machine costing Rs. 30,000 (accumulated depreciation Rs. 9,000) was sold for Rs. 15,000. The provision for depreciation against machinery a/c as on 31.3.2018 was Rs. 75,000 and on 31.3.2019 was Rs. 120,000. Net profit for the year ended 31.3.2019 amounted to Rs. 135,000. Prepare Cash Flow Statement.

31. From the following details, make out the Balance sheet with as many details as possible:

|                             |            |
|-----------------------------|------------|
| Stock Velocity              | 6          |
| Capital Turnover Ratio      | 2          |
| Fixed Assets Turnover       | 4          |
| Gross Profit Turnover Ratio | 20%        |
| Debtors Velocity            | 2 months   |
| Creditors Velocity          | 73 days    |
| Gross Profit                | Rs. 60,000 |
| Reserves and Surplus        | Rs. 20,000 |

Closing stock was Rs. 5,000 in excess of opening stock.

**(2 x 15 = 30 Marks)**

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**19U536S**

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Name: .....

Reg. No: .....

**FIFTH SEMESTER B.Com./B.B.A. DEGREE EXAMINATION, NOVEMBER 2021**

(CUCBCSS-UG)

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

(Commerce – Core Course)

(B.Com. - 2016 Admission - Supplementary)

(BBA – 2016 to 2018 Admissions – Supplementary/Improvement)

Time: Three Hours

Maximum: 80 Marks

**PART A**

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

Choose the correct answer:

- Which of the following is a technique of Management Accounting?  
a. Output costing    b. Job costing    c. Marginal Costing    d. Process costing
- Which of the following is used in vertical analysis of financial statements?  
a. Comparative Income Statement    b. Comparative Balance Sheet  
c. Trend percentages    d. Common size statements
- Which of the following ratio is used to measure the liquidity position of a company?  
a. Current ratio    b. Proprietary ratio    c. Speed Ratio    d. Operating Ratio
- Which of the following is a current asset?  
a. Payables    b. Bank overdraft  
c. Inventory    d. Goodwill
- ..... =  $\frac{\text{Fixed cost}}{\text{PV Ratio}}$   
a. Margin of Safety    b. Break Even Point  
c. Angle of incidence    d. Contribution Margin

Fill in the blanks:

- ..... statements are expressed in analytical percentages.
- Debt-equity ratio is the relationship between outsiders' funds and .....
- An increase in current assets results in ..... in working capital.
- Interest received on investments is a cash flow from ..... activity.
- ..... is the excess of actual sales of break-even sales.

**(10 x 1 = 10 Marks)**

**PART B**

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

- 11. Give any two objectives of management accounting.
- 12. Give any two differences between cost accounting and management accounting.
- 13. What is financial analysis?
- 14. What are common size statements?
- 15. What does the debt equity ratio indicates?
- 16. What is financial leverage?
- 17. Give any two examples for applications of fund.
- 18. How would you treat provision for taxation while preparing fund flow statement?
- 19. Give two examples for cash inflows from financing activities.
- 20. What is contribution?

**(8 x 2 = 16 Marks)**

**PART C**

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

- 21. Bring out the differences between financial accounting and management accounting.
- 22. What is Comparative Income Statement? State the objectives of Comparative Income Statement.
- 23. What are the limitations of ratio analysis?
- 24. From the following information, calculate the trend percentages of sales and stock taking 2015 as the base and interpret them:

| Year | Sales (Rs) | Stock (Rs) |
|------|------------|------------|
| 2015 | 1,881      | 709        |
| 2016 | 2,340      | 781        |
| 2017 | 2,655      | 816        |
| 2018 | 3,021      | 944        |
| 2019 | 3,768      | 1,154      |

- 25. From the following information, find out:
  - i. Inventory Turnover Ratio when Gross Profit ratio is 20%
  - ii. Inventory Conversion Period

|                |             |
|----------------|-------------|
| Credit sales   | Rs. 150,000 |
| Cash sales     | Rs. 250,000 |
| Returns inward | Rs. 25,000  |
| Opening stock  | Rs. 25,000  |
| Closing stock  | Rs. 35,000  |

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- 26. From the following Balance Sheet of A Ltd, prepare a Schedule of Changes in Working Capital:

|                      | 2018           | 2019           |
|----------------------|----------------|----------------|
| Capital              | 63,000         | 100,000        |
| Long term borrowings | 50,000         | 60,000         |
| Trade creditors      | 42,000         | 39,000         |
| Bank overdraft       | 35,000         | 25,000         |
| Outstanding expenses | <u>5,000</u>   | <u>6,000</u>   |
|                      | <u>195,000</u> | <u>230,000</u> |
| Land & building      | 80,000         | 100,000        |
| Furniture            | 15,000         | 10,000         |
| Stock                | 55,000         | 72,000         |
| Debtors              | 30,000         | 28,000         |
| Cash                 | <u>15,000</u>  | <u>20,000</u>  |
|                      | <u>195,000</u> | <u>230,000</u> |

- 27. From the following information, you are required to compute fund from operations:

**Profit and Loss Account**

|                                |                |                         |                |
|--------------------------------|----------------|-------------------------|----------------|
| To operating expenses          | 100,000        | By Gross profit         | 200,000        |
| To Depreciation                | 40,000         | By Gain on sale of land | 20,000         |
| To Loss on sale of plant       | 10,000         |                         |                |
| To Advertisement suspense a/c  | 5,000          |                         |                |
| To Discount allowed            | 500            |                         |                |
| To Discount on issue of shares | 500            |                         |                |
| To Goodwill                    | 12,000         |                         |                |
| To Net profit                  | 52,000         |                         |                |
|                                | <u>220,000</u> |                         | <u>220,000</u> |

- 28. From the following data, find out break-even point.
 

|                        |            |
|------------------------|------------|
| Variable cost per unit | Rs. 15     |
| Fixed expenses         | Rs. 54,000 |
| Selling price per unit | Rs. 20     |

 What should be the selling price per unit, if the break- even point should be brought down to 6,000 units?

(3)

**(6 x 4 = 24 Marks)**

**Turn Over**