

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 × 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		
	220,000		220,000

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?

(6 × 4 = 24 Marks)