

30. The following is the summary of cash transactions extracted from the books of Z Ltd:

	(Rs. In '000)
Balance as on 1/4/2018	70
Receipt from customers	5,566
Issue of shares	600
Sale of fixed assets	<u>256</u>
	<u>6492</u>
Payments to suppliers	4094
Payment for fixed assets	460
Payments for overheads	230
Wages and salaries	138
Taxation	486
Dividends	160
Repayment of Bank loans	<u>500</u>
	<u>6068</u>
Balance as on 31-3-2019	424

You are required to prepare a cash flow statement of the company for the period ended 31/3/2019 in accordance with Accounting Standard 3.

31. Return on Investments is considered to be the master ratio which reflects the overall performance of the company. Explain and show by examples how various managerial decisions influence ROI.

(2 × 15 = 30 Marks)

(4)

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(Pages: 4)

Name:

Reg. No.....

FIFTH SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOVEMBER 2021

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC17U BCP5 B19 - ACCOUNTING FOR MANAGERIAL DECISIONS

(B.Com. Professional - Core Course)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 Marks

PART A

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

A. Choose the correct answer from the brackets.

1. When the ratios are calculated from the financial statements of one year, it is known as;

a) horizontal analysis	b) vertical analysis
c) internal analysis	d) none of these
2. Management accounting relates to;

a) recording of accounting data	b) accounting of costing data
c) presentation of accounting data	d) both and b
3. The ratio which is a good indicator to maintain the correct selling price and efficiency of trading activities is:

a) net profit ratio	b) Gross profit ratio	c) current ratio	d) Liquid ratio
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4. Which of the following does not affect fund flow statement?

a) Issue of shares	b) Borrowings
c) Repayment of loan	d) Payment to creditors
5. The prime objective of marginal costing is to;

a) Make decision and control cost	b) Prepare financial accounts
c) Make reports	d) Predict profit

B. Fill in the blanks:

6. The ratio which is used to ascertain the soundness of long term financial position is ---
7. The process of deriving conclusion from the analysis is commonly termed as -----
8. The term Management accounting was first used in -----
9. When one account is current and another is non-current, it results in -----
10. Decrease in creditors is ----- of cash

(10 × 1 = 10 Marks)

(1)

Turn Over

PART B

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

11. What is Trend analysis?
12. What is capital Gearing ratio?
13. What is statement of changes of financial position?
14. Define marginal costing?
15. Give any two objectives of management accounting?
16. What is window-dressing?
17. How do you treat income from dividend in Fund flow statement?
18. Current liability of a company is Rs. 30,000, if current ratio is 3:1 and quick ratio is 1:1, calculate the value of stock in trade.
19. Find out profit earned, by using marginal cost technique:

Fixed cost	Rs. 5,00,000
Variable cost	Rs. 10 per unit
Selling price	Rs. 15 per unit
Output	1,50,000 units.
20. Current ratio 2.5, working capital Rs.90,000, find out Current liabilities.

(8 × 2 = 16 Marks)

PART C

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

21. What are the limitations of ratio analysis?
22. Distinguish between Fund flow and Cash flow statement.
23. Calculate Earnings per share from the following
Net profit before tax Rs. 1,00,000; Tax 50% of net profit; Preference share capital Rs. 1,00,000;
Equity share capital (Rs. 10 per share) Rs. 1,00,000.
24. What are the uses of cash flow analysis?
25. From the following calculate BEP and new BEP, when selling price is increased by Rs. 4.
Sales - Rs, 25 per unit, Variable production cost- Rs.10 per unit
Variable administration cost – Rs. 4 per, unit and fixed cost – Rs. 1,20,000
26. Determine the value of closing stock from the following details.
Sales - Rs. 4,00,000 G/P Ratio - 10% of sales, Stock velocity – 4 times
Closing stock was Rs. 10,000 in excess of opening stock.

(2)

27. Calculate Fund from operation from the following data.

	2018	2019
P/L account balance	Rs,50,000	Rs, 60,000
General Reserve	Rs. 30,000	Rs. 40,000
Good will	Rs. 20,000	Rs. 12,000
Preliminary expenses	Rs. 6,000	Rs. 4,000
Depreciation provision	Rs. 25,000	Rs. 40,000
Income from investment	-----	Rs. 20,000

Other details:

Preference shares of face value of Rs. 1,00,000 were redeemed during the year at a premium of 10%. The premium on redemption was charged to P/L a/c.

28. A company produces and sells 1,500 units of a commodities at Rs. 20 each. The variable cost of production is Rs,12 per unit and fixed cost Rs. 8000 per. Annum. Calculate a) P/V Ratio b) Additional sales required to earn the same amount of profit if selling price is reduced by 10%.

(6 × 4 = 24 Marks)

PART D

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

29. In a factory producing two different kinds of articles, the limiting factor is the availability of labour. From the following information, show which product is more profitable?

	Product A Cost per unit	Product B cost per unit
	Rs.	Rs.
Materials	5.00	5.00
Labour: 6 Hours @Re. 0.50	3.00	-----
3 hours @ Re 0.50	-----	1.50
Overheads; Fixed- 50% of labour	1.50	0.75
Variable	<u>1.50</u>	<u>1.50</u>
Total cost	11.00	8.75
Selling price	<u>14.00</u>	<u>11.00</u>
Profit	<u>3.00</u>	<u>2.25</u>
Total production for the month	500	600

Maximum capacity per month is 4,800 hours. Give proof in support of your answer.

(3)

Turn Over