

Debt collection period	-	1.5 months
Gross profit ratio	-	20%
Stock turnover ratio	-	8 (based on closing stock)
Liquid ratio	-	1.0
Current ratio	-	1.4

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

	Product A	Product B
	Cost per unit (Rs.)	Cost per unit (Rs.)
Materials	5.00	5.00
Labour:		
6 hours @Rs.50	3.00	
3 hours @ Rs.50		1.50
Overhead: fixed (50% of labour)	1.50	0.75
Variable	1.50	1.50
Total cost	11.00	8.75
Selling Price	14.00	11.00
Profit	3.00	2.25
Total production for the month (units)	500	600

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

31. The balance sheets of PQR a partnership firm as on 1-1-2019 and 31-12-2019 are given below:

Liabilities	1-1-2019	31-12-2019	Assets	1-1-2019	31-12-2019
Capital	1,25,000	1,53,000	Buildings	35000	60000
Loan from Mr. P	25000	Nil	Land	40000	50000
Loan from Canara bank	40000	50000	Machinery	80000	55000
Creditors	40000	44000	Stock	35000	25000
			Debtors	30000	50000
			Cash in hand	10000	7000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year a machine costing Rs. 10000(accumulated depreciation Rs.3000) was sold for Rs.5000. The provision for depreciation against machinery as on 1-1-2019 was Rs.25,000 and on 31-12-2019 RS.40,000. Net profit for the year 2019 amounted to Rs.45,000. You are required to prepare:

- a) A schedule of change in working capital b) Fund flow statement

(2 × 15 = 30 Marks)

(4)

20U550

(Pages: 4)

Name:

Reg. No.....

FIFTH SEMESTER B.Com. PROFESSIONAL DEGREE EXAMINATION, NOV. 2022

(CUCBCSS-UG)

(Regular/Supplementary/Improvement)

CC17U BCP5 B19 - ACCOUNTING FOR MANAGERIAL DECISIONS

(Core Course)

(2017 Admission onwards)

Time: Three Hours

Maximum: 80 marks

PART A

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

Choose the correct answer:

- Management accounting is helpful in increasing ----- of data.
(a) Preparation (b) Interpretation (c) Knowledge (d) Understanding
- Which of the following will result into application of funds?
(a) Sale of plant (b) Payment of dividend
(c) Issue of share capital (d) Payment of creditors
- Stock in the beginning results in
(a) Application of fund (b) Source of fund
(c) No flow of funds (d) Fund from operation
- An increase in variable costs
(a) Increases p/v ratio (b) Increases the profit
(c) Reduces contribution (d) None of these
- Comparison of financial variables of a firm over a period of time is known as -----
(a) Comparative statements (b) Trend analysis
(c) Common size statements (d) Ratios

Fill in the blanks:

- At break-even point ----- is equal to fixed cost
- BEP x P/v ratio = -----
- Asset sold on credit is ----- of funds
- Debt equity ratio is an example for ----- ratio.
- Sales ratios are otherwise called -----

(10 × 1 = 10 Marks)

PART B

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

- What is interest coverage ratios?
- State four sources of funds
- How do you treat income from dividend in fund flow statement?
- How is Debtors velocity calculated?
- What is capital gearing ratio?
- What is marginal cost

(1)

Turn Over

17. From the following calculate current ratio:

Total Assets	Rs.11,00,000
Fixed assets	Rs. 5,00,000
Capital Employed	Rs.10,00,000
Long Term Investment	Nil

18. What is external analysis

19. Give two limitations of management accounting.

20. Net credit sales Rs. 3,50,000

Debtors Turnover ratio 8 times

Debtors at the end are Rs. 14,000 more than debtors in the beginning find out debtors at the beginning and end.

(8 × 2 = 16 Marks)

PART C

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

21. From the following information, calculate funds from operation

Net profit for the year 31-12-2020	-	3,00,000
Depreciation provided during the year	-	70,000
Loss on sale of machinery	-	6,000
Profit on sale of investments	-	10,000
Provision for tax made during the year	-	1,60,000
Goodwill written off	-	40,000
Preliminary expenses written off	-	10,000
Dividends received	-	20,000
Interim dividends paid	-	40,000
Advertisement expenses paid	-	50,000
Refund of tax	-	5,000

22. Cost of revenue from operations - Rs.6,00,000

Inventory turnover ratio - 6 times

Find out the value of opening stock if opening stock is Rs.10000 less than the closing stock.

23. Following information is available for a concern

Current ratio	-	3.5
Liquid ratio	-	2.5
Working capital	-	Rs.1,00,000

Find the value of:

- 1) current assets 2) current liabilities 3) value of inventory

24. The operating results of a company for the two years are as follows:

	Sales	Profit
2018	2,70,000	6,000
2019	3,00,000	15,000

(2)

Assuming that the cost structure and the selling price per unit remain the same, you are required to calculate.

(a) P/V ratio

(b) Fixed cost

(c) BEP

(d) Variable cost during the two periods

(e) Margin of safety at a profit of 24,000

25. Mention the classification of ratios?

26. Differentiate between financial accounting and management accounting.

27. Prepare a comparative income statement of D Ltd. With the help of the following information.

	2020	2021
Sales	1,00,000	2,00,000
Cost of goods sold	60% of sales	70% of sales
Indirect expenses	10% of g/p	
Rate of income tax	50% of profit before tax.	

28. From the following summary of cash, a/c of X Ltd, prepare cash flow statement for the year ended 31st March 2019 using the Direct method. The company does not have any cash equivalents.

Summary of Cash Account for the year ended 31-3-2019

	Rs.		Rs.
Balance on 1-4-2018	500	Payment to supplier	20,000
Issue of equity shares	3,000	Purchase of fixed assets	2,000
Receipt from customers	28,000	Overhead expenses	2,000
Sale of fixed assets	1,000	Wages and salaries	1,000
		Taxation	2,500
		Dividend	500
		Repayment of bank loans	3,000
		Balance on 31-3-2019	1,500
	-----		-----
	<u>32,500</u>		<u>32,500</u>

(6 × 4 = 24 Marks)

PART D

Answer any *two* of the following. Each question carries 15 marks.

29. From the following information of XYZ Ltd, you are required to prepare a balance sheet

Sales for the year 2020	-	10,00,000
Fixed asset to Net worth	-	1.25
Capital gearing ratio	-	0.5
Fixed assets turnover ratio	-	1.6
Reserves and surplus to capital	-	0.6

(3)

Turn Over