

D 50470

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Name.....

Reg. No.....

**FIFTH SEMESTER (CBCSS—UG) DEGREE EXAMINATION
NOVEMBER 2023**

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2019 Admission onwards)

Time : Two Hours and a Half

Maximum : 80 Marks

Part A*Answer all questions.*

1. Define management accounting.
2. Define financial statements.
3. What is interfirm comparison ?
4. What do you mean by trend ratio ?
5. What is break-even point ?
6. What is angle of incidence ?
7. What is P/V ratio ?
8. Current ratio is 2.5 : 1. Current liability is 20,000. Calculate values of current assets and working capital.
9. List out leverage ratios.
10. Calculate solvency ratio, 8 % debenture-4,00,000 ; Loan from ICICI -6,00,000 ; Current liabilities 5,00,000; non-current assets 30,00,000 ; current assets 15,00,000.
11. What is key factor ?
12. What is fund from operation ?
13. List out any *four* sources of fund.
14. What is cash flow statement ?
15. What is marginal cost ?

(15 × 2 = 30, maximum ceiling 25 marks)

Turn over

Part B*Answer all questions.*

16. What are the differences between cost accounting and management accounting ?
17. What are the limitations of financial statement analysis ?
18. What are the objectives of accounting ratios ?
19. What are the advantages of marginal costing ?
20. Ram Ltd. Decided to bear the higher education cost of five brilliant students belonging to the weaker section of the society. Following is the statement of Profits and Loss of Ram Ltd for the year ended 31-03-2022 :

| <i>Particulars</i> | <i>Amount</i> |
|---------------------------|-----------------|
| Income | |
| Revenue from operations | 2,00,000 |
| Other income | 15,000 |
| Total revenue | 2,15,000 |
| Expenses : | |
| Cost of material consumed | 1,10,000 |
| Other expenses | 5,000 |
| Total expenses | 1,15,000 |
| Tax | 40,000 |

You are required to prepare a common size statement of Profits and Loss of Ram Ltd for the year ended 31-03-2022.

21. From the following details calculate :
 - (i) Fixed assets turnover ratio ; and
 - (ii) Working capital turnover ratio.

| | | |
|-------------------------------------|-----|----------|
| Revenue from operations during 2022 | ... | 6,00,000 |
| Fixed assets during 2022 | ... | 2,00,000 |
| Current assets, 2022 | ... | 3,00,000 |
| Current liabilities, 2022 | ... | 2,00,000 |

22. A Ltd has two machines X and Y producing similar products. The details of cost structure and sales are given below :

| | Machine X | Machine Y |
|------------------------|-----------|-----------|
| Total capacity (units) | 1,00,000 | 1,50,000 |
| Fixed cost | 1,50,000 | 4,00,000 |
| Variable cost per unit | 35 | 30 |
| Selling price per unit | 60 | 60 |

- a) Calculate break-even point of each machinery.
 b) Calculate indifference point of these machineries.
23. From the following information estimate net cash from operating activities :

| | | |
|---|-----|--------|
| Cash revenue from operations (cash sales) | ... | 20,000 |
| Collections from debtors | ... | 80,000 |
| Payment to suppliers | ... | 35,000 |
| Payment to employees | ... | 15,000 |
| Business expenses met. | ... | 20,000 |
| Sale of fixed assets | ... | 10,000 |
| Income tax paid | ... | 12,500 |

(8 × 5 = 40, maximum ceiling 35 marks)

Part C

Answer any **two** questions.

24. From the following information, prepare a summarized balance sheet as on 31-03-2022 :

| | | |
|----------------------|-----|---|
| Working capital | ... | 1,20,000 |
| Reserves and surplus | ... | 80,000 |
| Bank overdraft | ... | 20,000 |
| Proprietary ratio | ... | 0.75 (fixed asset : shareholder's fund) |
| Current ratio | ... | 2.5 |
| Liquidity ratio | ... | 1.5 |

Turn over

25. A plant is running at present at 50% capacity due to global depression, the following details are available.

| | Cost per unit |
|-------------------|---------------|
| Direct material | 2 |
| Direct labour | 1 |
| Variable overhead | 3 |
| Fixed overhead | 2 |
| Total cost | 8 |

| | |
|--------------------------|--------------|
| Production per month | 20,000 units |
| Total cost of production | 1,60,000 |
| Total sales (20,000 @ 7) | 1,40,000 |
| Loss | (20,000) |

An exporter offers to buy 20,000 units per month at the rate of 6.50 per unit and the company seeks your advice whether to accept this offer or not.

26. From the following balance sheet of ABC Ltd for the year ending 31-12-21 and 2022, Prepare :
- 1 Schedule of changes in working capital
 - 2 A statement showing sources and application of funds

Balance Sheet

| <i>Particulars</i> | Note no | 2021 | 2022 |
|--|---------|----------|----------|
| I. EQUITY AND LIABILITIES | | | |
| 1) Shareholder's fund | | | |
| Share capital | | 4,00,000 | 5,75,000 |
| Reserves and surplus (P and L A/c) | | 14,000 | 31,000 |
| 2) Share application money pending allotment | | | |
| 3) Noncurrent liabilities | | | |
| 4) Current liabilities | | | |
| Trade payables (creditors) | | 1,06,000 | 70,000 |
| Total | | 5,20,000 | 6,76,000 |

| <i>Particulars</i> | Note no | 2021 | 2022 |
|-------------------------------------|---------|----------|----------|
| II. ASSETS | | | |
| 1) Noncurrent assets | | | |
| Fixed assets | | | |
| Tangible assets (land and building) | | 75,000 | 1,00,000 |
| 2) Current assets | | | |
| Inventories (stock) | | 1,21,000 | 1,36,000 |
| Trade receivables (debtors) | | 1,81,000 | 1,70,000 |
| Cash and cash equivalents | | 1,43,000 | 2,70,000 |
| Total | | 5,20,000 | 6,76,000 |

27. Give proforma of cash flow statement (direct method) with imaginary figures.

(2 × 10 = 20 marks)