

D 50020

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Name.....

Reg. No.....

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

B.Com.

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2018 Admissions)

Time : Three Hours

Maximum : 80 Marks

**Part I (Objective Questions)***Answer all ten questions.**Each question carries 1 mark.*

Choose the correct answer :

1. \_\_\_\_\_ analysis of Financial statements is made by those who do not have access to the detailed accounting records of the concern.
  - a) Vertical Analysis.
  - b) Internal Analysis.
  - c) Horizontal Analysis.
  - d) External Analysis.
2. \_\_\_\_\_ is the difference between the actual sales and sales at break-even point.
  - a) Contribution.
  - b) Angle of Incidence.
  - c) Margin of safety.
  - d) None.
3. Which of the following is not a non-operating expense ?
  - a) Loss on sale of Fixed assets.
  - b) Preliminary Expenses.
  - c) Direct expenses.
  - d) None of the above.
4. \_\_\_\_\_ is one of the simplest and powerful tools of analysis of financial statements.
  - a) Ratio Analysis.
  - b) Fund flow statement.
  - c) Cash flow statement.
  - d) None.
5. Debt Equity ratio is one of the \_\_\_\_\_.
  - a) Profitability ratios.
  - b) Liquidity Ratios.
  - c) Leverage Ratios.
  - d) None of the above.

**Turn over**

Fill in the blanks :

6. \_\_\_\_\_ are the summarized statements and reports prepared by business to disclose their accounting information and to communicate them to the interested parties
7. A firm's ability to meet the interest charge and repayment dues on long term obligations is referred to it as \_\_\_\_\_.
8. Current ratio denotes \_\_\_\_\_.
9. \_\_\_\_\_ is the amount at any given volume of output by which aggregate costs are changed if the volume of output is increased or decreased by one unit
10. Increase in amounts of Bills Payable results in \_\_\_\_\_.

(10 × 1 = 10 marks)

### Part II (Short Answer Questions)

Answer any **eight** out of ten questions in two **or** three sentences.  
Each question carries 2 marks.

11. What is Contribution ?
12. What do you mean by financial analysis ?
13. Find out break-even sales in units and value from the following details Selling price per unit Rs. 12, Variable cost per unit Rs. 8 ; Fixed Cost Rs. 40,000.
14. Define Ratio.
15. Calculate current assets when current ratio is 2.5 ; 1 and current liabilities Rs. 1,00,000.
16. State the important features of Management accounting.
17. Is depreciation a source of fund ?
18. Compute Return on capital employed from the following : Net profit before interest and tax Rs. 2,75,000 : Net profit after tax - 2,20,000 ; Capital employed - 11,00,000.
19. What is Marginal costing ? State any *two* features.
20. Mention any *two* examples of Cash flow from Financing Activities.

(8 × 2 = 16 marks)

**Part III (Short Essay Questions)**

Answer any **six** out of the eight questions, in about 200 words.

Each question carries 4 marks.

21. Explain the utility of financial statements.
22. From the following details ascertain Gross profit and calculate Gross profit ratio.  
Revenue from Operations Rs. 5,00,000 : Revenue from Operations returns Rs. 50,000 ;, Purchases - Rs. 3,00,000 : Purchase Returns -Rs. 75,000 : Opening Inventory - Rs. 1,00,000 : Closing inventory - Rs. 32,500
23. What are the differences between Income statement and Fund flow statement ?
24. Prepare a schedule of Changes in working capital from the following balance sheets on 31<sup>st</sup> December 2020 and 2021.

Balance Sheet as on December 31<sup>st</sup> of 2020 and 2021

<i>Liabilities</i>	2021	2020	<i>Assets</i>	2021	2020
Share Capital	13,00,000	12,00,000	Buildings	20,40,000	18,00,000
8 % Debentures	6,00,000	8,00,000	Plant and		
P and L	6,80,000	4,00,000	Machinery	3,60,000	4,00,000
Trade Creditors	3,92,000	3,00,000	Stock	4,40,000	3,20,000
Outstanding Creditors	8,000	20,000	Debtors	1,20,000	1,84,000
			Cash	20,000	16,000
	29,80,000	27,30,000		29,80,000	27,30,000

25. Distinguish between Financial Accounting and Management Accounting.
26. Explain about the procedure of preparing Cash flow statement.
27. The net profit of a company before tax is Rs. 5,00,000 as on 31<sup>st</sup> March 2021 after considering the following.  
Depreciation on Fixed assets — Rs. 50,000 ; Loss on sale of Machine - Rs. 12,000 : Goodwill Witten off — Rs. 15,000 ; Tax Paid — Rs. 83,000.

**Turn over**

The current assets and current liabilities of the company in the beginning and at the end of the year were as follows ;

<i>Particulars</i>		31.3.2020 (Rs.)	31.3.2021 (Rs.)
Account Receivable	...	50,000	31,000
Account payable	...	20,000	25,000
Debtors	...	60,000	75,000
Stock in hand	...	30,000	28,000
Outstanding expenses	...	15,000	10,000

Calculate Cash Flow from operating activities by indirect method.

28. From the following information calculate inventory in the beginning and at the end ; Inventory turnover ratio is 3 times. Cost of revenue for operations is Rs. 2,40,000. Inventory in the beginning is Rs. 20,000 more than the inventory in the end .

(6 × 4 = 24 marks)

#### Part IV (Essay Questions)

Answer any **two** out of the three questions in about 800 words.

Each question carries 15 marks.

29. Prepare fund flow statement from the following information :

Balance Sheet as on December 31<sup>st</sup> of 2020 and 2021

<i>Liabilities</i>	2020	2021	<i>Assets</i>	2020	2021
Share capital	4,50,000	4,50,000	Fixed assets	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
P and L	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provision for Tax	75,000	10,000	Bank	1,49,000	1,97,000
Loan		2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Investment costing Rs. 8,000 was sold during the year for Rs. 8,500 ; Fixed assets costing Rs. 10,000 was sold for Rs. 12,000 ; Dividend paid during the year Rs. 40,000 ; Provision for tax made during the year was Rs. 90,000

30. With the following ratios and further information given below, Prepare Trading Account Profit and Loss account and Balance Sheet.

- (a) Gross Profit Ratio — 25 %
- (b) Net Profit Ratio — 20 %
- (c) Sales/ Inventory Ratio — 8
- (d) Fixed Assets / Total current Assets —  $\frac{3}{4}$
- (e) Fixed Assets / Capital —  $\frac{3}{2}$
- (f) Capital / Total Outside Liabilities —  $\frac{2}{5}$ .
- (g) Fixed Assets—Rs. 30,00,000
- (h) Closing Stock—4,00,000

31. What do you mean by Marginal Costing ? What are the managerial applications of Marginal costing ?

(2 × 15 = 30 marks)

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BCM 5B 07—ACCOUNTING FOR MANAGEMENT

(2018 Admissions)

(Multiple Choice Questions for SDE Candidates)

**Time : 15 Minutes****Total No. of Questions : 20****Maximum : 20 Marks****INSTRUCTIONS TO THE CANDIDATE**

1. This Question Paper carries Multiple Choice Questions from 1 to 20.
2. The candidate should check that the question paper supplied to him/her contains all the 20 questions in serial order.
3. Each question is provided with choices (A), (B), (C) and (D) having one correct answer. Choose the correct answer and enter it in the main answer-book.
4. The MCQ question paper will be supplied after the completion of the descriptive examination.

## BCM 5B 07—ACCOUNTING FOR MANAGEMENT

## (Multiple Choice Questions for SDE Candidates)

1. The Branch of accounting concerned with collection, determining and controlling cost of products and services is called \_\_\_\_\_.
  - (A) Management Accounting.
  - (B) Financial accounting.
  - (C) Cost accounting.
  - (D) All of these.
2. The father of Double Entry system is \_\_\_\_\_.
  - (A) Luca Pacioli.
  - (B) Lopus patricia.
  - (C) Lukas Christian.
  - (D) None of these.
3. \_\_\_\_\_ is the process of accounting for cost which includes the application of cost control methods and ascertainment of profitability of activities.
  - (A) Cost.
  - (B) Costing.
  - (C) Cost accounting.
  - (D) None of these.
4. \_\_\_\_\_ is the process of identifying the financial strengths and weakness of the firm by properly establishing relationship between the items of balance sheet and Profit and Loss Account
  - (A) Financial Statements.
  - (B) Financial Analysis.
  - (C) Trend Analysis.
  - (D) All of these.
5. The analysis done by investors , credit agencies , government agencies and other creditors who have no access to the internal records of a company is known as \_\_\_\_\_.
  - (A) Internal analysis.
  - (B) Horizontal analysis.
  - (C) External analysis.
  - (D) None of these.
6. In \_\_\_\_\_ type of analysis, financial statements for a number of years are reviewed and analyzed.
  - (A) Internal analysis.
  - (B) Horizontal analysis.
  - (C) External analysis.
  - (D) None of these.
7. Which among the following is an example for horizontal analysis ?
  - (A) Comparative balance sheet.
  - (B) Comparative income statement.
  - (C) Common size statements.
  - (D) (A) and (B).

8. Given Opening stock is Rs. 20,000, Direct expenses 10,000, Closing stock 5,000. Cost of goods sold is \_\_\_\_\_.
- (A) 25,000. (B) 35,000.  
(C) 15,000. (D) 20,000
9. Ratio of net profit before interest and tax to sales is \_\_\_\_\_.
- (A) Operating profit ratio. (B) Operating ratio.  
(C) Capital gearing. (D) Solvency ratio.
10. \_\_\_\_\_ is a statement which lists all the sources of funds and applications of funds taken place in a business during a particular period.
- (A) Fund flow statement. (B) Cash flow statement.  
(C) Any of these. (D) None of these.
11. Which transaction results in flow of funds ?
- (A) Transaction involve only fixed assets.  
(B) Transaction involve only current assets.  
(C) All of these.  
(D) None of these.
12. There will be flow of funds, if a transaction involves \_\_\_\_\_.
- (A) Current assets and fixed assets.  
(B) Current assets and capital.  
(C) Current assets and fixed liabilities.  
(D) All of these.
13. \_\_\_\_\_ assets are those which in the ordinary course of business can be converted into cash within a short period of time.
- (A) Current. (B) Non-current.  
(C) Both of these. (D) None of these.
14. Goods purchased for cash. This transaction involves \_\_\_\_\_.
- (A) Flow of fund. (B) No flow of fund.  
(C) Both of these. (D) None of these.

Turn over

15. Which among the following transaction involves flow of fund ?
- (A) Cash paid to creditors. (B) Payment of Bills Payable.  
(C) Raising of short term loans. (D) Raising of Long term loans.
16. Which among the following are examples of cash flow from operating activities ?
- (A) Cash receipts from sale of goods. (B) Cash receipts from royalties.  
(C) Cash payments to suppliers. (D) All of these.
17. Which among the following is not an example of cash flow from operating activities ?
- (A) Cash payments of insurance premiums.  
(B) Cash payments of income taxes.  
(C) Cash payments to employees.  
(D) Cash receipts from disposal of fixed assets.
18. \_\_\_\_\_ cost represents the amount of any given volume of output by which aggregate costs are changed if the volume of output is increased by one unit.
- (A) Variable cost. (B) Marginal cost.  
(C) Fixed cost. (D) None of these.
19. \_\_\_\_\_ cost is defined as the aggregate of variable costs or prime costs plus variable overheads.
- (A) Variable cost. (B) Marginal cost.  
(C) Fixed cost. (D) None of these.
20. Under marginal costing, \_\_\_\_\_ costs are treated as period costs and charged to profit and loss account for the period for which they are incurred.
- (A) Variable cost. (B) Fixed cost.  
(C) Both of these. (D) None of these.