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Name.....

Reg. No.....

FIFTH SEMESTER B.Com. DEGREE EXAMINATION, NOVEMBER 2018

(CUCBCSS—UG)

Core Course

BCM 5B 07—ACCOUNTING FOR MANAGEMENT

Time : Three Hours

Maximum : 80 Marks

Part A

A. Fill in the blanks :

- 1 The ——— Management is mainly concerned with the policy decisions.
- 2 ——— is the amount of expenditure incurred on or attributable to a given thing.
- 3 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 ———.
- 4 ——— analysis is useful in comparing performance of several companies in the same group, or division or department of the same company.
- 5 Ratio of Net Sales to Net Working Capital is a ———.

B. Multiple Choice :

- 6 Ratio of net profit before interest and tax to sales is ———.
 - (a) Operating profit ratio.
 - (b) Operating ratio.
 - (c) Capital gearing.
 - (d) Quick ratio.
- 7 Which one of the following is a source of fund ?
 - (a) Issue of shares in consideration of machinery purchased.
 - (b) Issue of bonus shares.
 - (c) Issue of right shares.
 - (d) Issue of shares for cash.
- 8 ——— liabilities are those which are intended to be paid in the ordinary course of business within a short period.
 - (a) Current.
 - (b) Non-current.
 - (c) Long term.
 - (d) Fixed.
- 9 When fixed cost is deducted from contribution, the balance will be ———.
 - (a) Variable cost.
 - (b) Profit.
 - (c) Total cost.
 - (d) Sales.

Turn over

10 _____ is the angle caused by intersection of total cost line and total sales line.

- (a) Angle of contribution. (b) Angle of incidence.
(c) Angle of elevation. (d) Angle of coincidence.

(10 × 1 = 10 marks)

Part B

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

- 11 What is Income Statement ?
- 12 Explain Current ratio.
- 13 What is Contribution ?
- 14 Give the formula for Composite P/V.
- 15 Give two instances of marginal costing used in decision-making.
- 16 Equity Capital = 1,50,000 ; Preference Capital = 20,000 ; Reserves = 25,000 ; Profit and Loss Account = 20,000 ; Fixed Assets = 1,50,000 ; Find out Fixed assets to shareholders fund ratio.
- 17 Calculate P/V ratio from the following data :
Selling price per unit Rs. 10, Variable cost per unit Rs. 6 and Fixed Costs Rs. 12,000 (including rent and rates of Rs. 1,000).
- 18 Calculate Cash Break-even point for the following :—
Selling price per unit—Rs. 30.
Variable cost per unit—Rs. 23.
Fixed cost is Rs. 20,000 including depreciation—500.
- 19 Calculate Capital Gearing Ratio :
Equity Share Capital 1,00,000 ; Preference Share Capital 25,000 ; Reserves and Surplus 30,000 ; Long Term Loans 25,000 ; 6 % Debentures 25,000.
- 20 Help Hari to arrive at the net profit from the following data preparing a single year Income Statement for 2016 :
Sales = 7,00,000.
Rent earned = 25,000.
Cost of Sales = 3,50,000.
Office and Administrative Expenses = 10,000.
Selling Expenses = 30,000.
Bank Interest = 25,000.

(8 × 2 = 16 marks)

Part C

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

- 21 Write a note on CVP analysis.
- 22 Explain the features of Ratio Analysis.

- 23 X Ltd. has a current ratio of 3.5 : 1 and quick ratio of 2 : 1. If excess of current assets over quick assets represented by stock is Rs. 2,00,000. Calculate current assets and current liabilities.

- 24 Calculate trend from the following :

Year		Sales	Stock	Profit before Tax
2010	...	3,762	1418	642
2011	...	4,680	1562	870
2012	...	5,310	1632	916
2013	...	6,042	1888	1,054

(Take 2010 as base year)

- 25 Calculate :

- (a) Debtors Turnover ratio :

Credit sales 5,100 ; Return inwards 100 ; Debtors 300 ; Bills Receivables 100.

- (b) Average Collection Period Ratio from the above.

- 26 Cash - 20,000 :

Bills Receivables—10,000.

Sundry Debtors—50,000.

Stock—40,000.

Sundry Creditors—60,000.

Cost of sales—7,50,000.

Calculate Working Capital turnover ratio.

- 27 Calculate Cash from operation from the following :

		Rs.			Rs.
To opening stock	...	16,000	Sales	...	3,00,000
Purchases	...	1,40,000	Closing stock	...	20,000
Wages :			Dividend	...	5,000
Add : outstanding					
(20,000 + 4,000)	...	24,000			
Salaries					
Add : outstanding					
(18,000 + 2,000)	...	20,000			
Rent :					
Less ; Prepaid					
(12,000 - 2,000)	...	10,000			
Office Expenses	...	5,000			
Depreciation	...	15,000			
Selling Expenses	...	3,000			
Loss on sale of asset	...	2,000			
Provision for tax	...	30,000			
Net Profit	...	60,000			

Turn over