

B. COM. DEGREE END SEMESTER EXAMINATION - MARCH 2019**SEMESTER – 6 : COMMERCE (CORE COURSE)****COURSE: 15U6RCOM17 : ACCOUNTING FOR MANAGERIAL DECISIONS***(Common for Regular - 2016 Admission / Supplementary-Improvement 2015 Admission)*

Time: Three Hours

Max. Marks: 75

SECTION AAnswer **all** questions, each carries **2** marks

1. What is estimated cost?
2. What is meant by basic standards?
3. What is meant by external analysis?
4. What is meant by intra-firm comparison?
5. What is meant by primary ratios (with one example)?
6. If current liabilities are 30,000, current ratio 2.25 times and liquid ratio 1.25 times compute stock in trade.
7. What is meant by fund flow statement?
8. What is the treatment of drawings while preparing fund flow statement?
9. What is P.E Ratio?
10. What is meant by analysis of financial statements? (2 x 10 = 20)

SECTION BAnswer **any Five** questions, each carries **5** marks

11. Current liabilities = 9,00,000, Current ratio = 2.5, Acid test ratio = 2.
Calculate (i) Current assets, (ii) Quick Assets and (iii) Stock.
12. Prepare statement of sources and application of funds.

Increase in working capital	4000
Net Profit before writing off goodwill and charging dividend	10,750
Depreciation provided	1750
Dividend Paid	3500

Rs.10000 share capital was issued in payment of debentures and Rs. 5000 share capital was issued for cash.

Machinery was purchased for Rs.30000 in exchange for investment Rs.5000, loan on mortgage Rs. 15000 and cash Rs. 10000.

13. Compute funds from operation and cash from operation from the following:

	31.3.03	31.3.04
P&L A/C	30000	35000
General Reserve	10000	15000
Provision for depreciation on plant	30000	35000
Outstanding expenses	5000	3000
Goodwill	20000	10000
Sundry debtors	40000	35000

An item of plant costing Rs.20000 having book value of Rs.14000 was sold for Rs.18000 during 2003-04.

14. The standard quantity of material and standard price per kg of material required for the production of one unit of product P is as follows:

Material 5 Kg, Standard price = Rs. 15/Kg.

The actual production and related material data are as follows:

Product P 400 units

Materials used 2200 kgs

Price of material Rs.14.40.

Calculate MCV, MUV, MPV.

15. Prepare schedule of changes in working capital.

Liabilities	2003	2002	Assets	2003	2002
Share capital	3,25,000	3,00,000	Land & buildings	5,10,000	4,50,000
Profit & loss A/c	1,70,000	1,00,000	Plant & machinery	90,000	1,00,000
Debentures	1,50,000	2,00,000	Stock	1,10,000	80,000
Trade creditors	98,000	75,000	Debtors	30,000	46,000
Outstanding creditors	2000	5000	Cash	5,000	4,000
	7,45,000	6,80,000		7,45,000	6,80,000

16. What do you mean by standard costing? Is standard costing a fool proof system of variance analysis?

17. What do you mean by activity ratios? Briefly explain different types of activity ratios.

(5 x 5 = 25)

SECTION C

Answer **any Three** questions, each carries 10 marks

18. From the following prepare fund flow statement.

Liabilities	2002	2003	Assets	2002	2003
Sundry creditors	10,00,000	10,30,000	Cash	16,00,000	17,76,000
Bills payable	2,00,000	2,50,000	Sundry debtors	4,00,000	7,40,000
Debentures	8,80,000	8,80,000	Stock of goods	6,00,000	6,88,000
Depreciation provision	2,00,000	1,12,000	Land	1,60,000	1,60,000
Reserves & surplus	6,00,000	7,80,000	Building	8,00,000	6,40,000
Share capital	14,00,000	17,40,000	Plant & machinery	6,00,000	6,80,000
			Debenture discount	80,000	72,000
			Patents	40,000	36,000
	42,80,000	47,90,000		42,80,000	47,90,000

Additional Information:

- Net profit for the year 2003 – Rs.4,00,000
- Dividend paid – Rs.80,000
- Depreciation charged – Rs.32,000
- The company issued equity shares for Rs.2,00,000 and bonus shares for Rs.1,40,000.

- v. A building was sold for Rs.56,000, the cost and book value Rs.1,60,000 and Rs.40,000 respectively.

19. From the following prepare Cash flow statement.

Liabilities	1.4.03	31.3.04	Assets	1.4.03	31.3.04
Creditors	40,000	44,000	Cash	10,000	7,000
Bills payable	10,000	5,000	Debtors	30,000	50,000
Loan from Manu	15,000	-----	Stock	35,000	25,000
Loan from Dhanush	40,000	25,000	Machinery	80,000	55,000
Capital	1,25,000	1,53,000	Land	40,000	50,000
			Buildings	35,000	40,000
	2,30,000	2,27,000		2,30,000	2,27,000

During the year a machine costing Rs.10,000 (accumulated depreciation Rs.6,000) was sold for Rs.7,000. The balance of provision for depreciation against machinery as on 1st April 2003 was Rs.25,000 and on 31st March 2004 was Rs.40,000. Drawings during the year 2003-04 amounted to Rs.30,000.

20. From the given information complete the following balance sheet for the year ending 2016:

Liabilities	Amt.	Assets	Amt.
Net worth	Fixed assets
Long term debt	Inventory
Current liabilities	Debtors
		Liquid assets
Total	Total

Total assets / net worth	:	3.5
Sales / fixed assets	:	6
Sales / current assets	:	8
Sales / inventory	:	15
Sales / debtors	:	18
Current ratio	:	2.5
Annual sales	:	Rs.25,00,000

21. The following are the extracts from the income statements of A Ltd. for the six years ending 2010. Calculate trend percentages taking 2005 as the base year and interpret the results.

(Fig. in thousands)

Particulars	2005	2006	2007	2008	2009	2010
Sales	300	340	420	480	520	600
Cost of goods sold	180	204	256	287	300	330
Office expenses	40	42	45	50	55	60
Selling expenses	20	25	30	40	50	60
Net profit / loss	60	69	89	103	115	150

22. Explain various techniques and tools of financial statement analysis.

(10 x 3 = 30)
