

B.COM. DEGREE END SEMESTER EXAMINATION - MARCH 2020**SEMESTER –6: COMMERCE (CORE COURSE)****COURSE: 15U6CRCOM17: ACCOUNTING FOR MANAGERIAL DECISIONS***(Common for Regular 2017 Admission & Supplementary 2016 /2015 Admissions)*

Time: Three Hours

Max Marks: 75

SECTION A***Answer all questions, each carries 2 marks***

1. What do you mean by Trend Ratio?
2. What is Cost Centre?
3. Define 'Analysis of Financial Statements'?
4. What is Ratio Analysis?
5. Define responsibility accounting?
6. Explain the meaning of cash flow statement?
7. What is intra firm comparison?
8. What do you mean by schedule of changes in working capital?
9. What is fund from operation?
10. Distinguish between Dynamic Analysis and Static Analysis (2 x 10 = 20)

SECTION B***Answer any Five questions, each carries 5 marks***

11. Explain the limitations of Financial Statement Analysis?
12. Calculate Stock Turnover Ratio in the following cases:

a) Cost of goods sold	2,00,000
Average stock	40,000
b) Sales	2,20,000
Average stock	40,000
Sales return	20,000
Gross profit 20% on sales	
c) Opening stock	21,000
Closing stock	29,000
Purchases	1,00,000
Wages	10,000
13. From the following information prepare a statement of sources and application of funds for year ended 31.3.2016
 - a) Increase in working capital during the year - Rs 4000

b) Net profit for the year ending 31.3.2016 - RS 10750

c) Depreciation of fixed assets charged to profit & loss a/c- RS 1750

d) Dividend paid in 2015-16 -Rs 3500

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

f) Machinery was purchased for Rs 30000 in exchange for investment RS 5000 loan on mortgage Rs 15000 and cash RS 10000

14. What are the advantages and disadvantages of responsibility accounting?

15. Calculate Trade Receivable Turnover Ratio and Average Collection Period.

Total revenue from operations for the year 2016 (Total sales)	1,00,000
Cash revenue from operations for the year 2016 (cash sales)	20,000
Debtors as on 1.1.2016	10,000
Debtors as on 31.12.2016	15,000
Bills receivable as on 1.1.2016	7,500
Bills receivable as on 31.12.2016	12,500

16. Prepare a comparative statement of Profit and Loss of X Ltd with the help of the following information

Particulars	31.03.2017 (Rs.)	31.03.2016 (Rs.)
Revenue from operation	16,00,000	12,00,000
Purchase of stock in trade	8,00,000	5,00,000
Changes in inventories	80,000	60,000
Employee benefit expenses	1,20,000	1,00,000
Other expenses	80,000	60,000
Income Tax	30%	35%

17. From the following information estimate net cash from operating activities

Cash revenue from operations (cash sales)	4,00,000
Sale of fixed assets	50,000
Payments to suppliers	6,00,000
Collection from Debtors	10,00,000
Payments to employees	1,00,000
Business expenses met	40,000
Income tax paid	1,20,000

(5 x 5 = 25)

SECTION C

Answer any 3 questions, each carries 10 marks

18. Explain the tools of Financial Statement Analysis?

19. The ratios relating to Cosmo Ltd are given as follows

Gross profit Ratio : 15 percent

Stock Velocity : 6 months

Debtors Velocity : 3 months

Creditors Velocity : 3 months

Gross profit for the year ending Dec 31,2016 amounts to Rs 60000. Closing stock is equal to Opening stock.

Find out a) Sales, b) Closing stock, c) Sundry Debtors, d) Sundry Creditors.

20. Balance sheet of M/S Black & White as on 1st January 2016 and 31st December 2016 were as follows:

Liabilities	1.1.2016	31.12.2016	Assets	1.1.2016	31.12.2016
Creditors	40000	44000	Cash	10000	7000
Loan from PN			Debtors	30000	50000
Bank	40000	50000	Stock	35000	25000
Loan From White	25000		Machinery	80000	55000
Capital	125000	153000	Land	40000	50000
			Building	35000	60000
	230000	247000		230000	247000

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 1.1.2016 was Rs 25000 and On 31.12.2016 Rs 40000. Net profit for the year 2016 amount to Rs.45000. Interest paid on loan from PN Bank is Rs.3000. You are required to prepare fund flow statement.

21. From the following information, prepare a summarized Balance Sheet as on 31st March 2016

- a) Working capital - 1,20,000
- b) Reserves & Surplus - 80,000
- c) Bank Overdraft - 20,000
- d) Proprietary Ratio - 0.75 (Fixed assets : Shareholders fund)
- e) Current Ratio - 2.5
- f) Liquid Ratio - 1.5

22. The balance sheet of a company as on 31st March 2016 and 2017 are given below:

BALANCE SHEET

Particulars		Note No.	31-3-2016 (Amount) Rs.)	31-3-2017 (Amount) Rs.)
I	EQUITY AND LIABILITIES:			
	1) Shareholders' Funds			
	Share Capital		1,00,000	1,60,000
	Reserves and Surplus (P & L account)		70,250	85,300
	2) Share Application Money Pending Allotment			
	3) Non-current Liabilities			
	Long term borrowings 12% Debenture		50,000
	Long term provisions (Acc. Dep.)		60,000	40,000
	4) Current Liabilities			
	Trade payables (Sundry creditors)		28,000	48,000
	Total		3,08,250	3,33,300

II	ASSETS :			
	1) Non-current Assets			
	Fixed Assets :			
	Tangible assets		1,52,000	2,00,000
	2) Current Assets			
	Inventories (Stock)		93,400	89,200
	Trade receivables (Debtors)		30,800	21,100
	Cash and Cash Equivalents (Cash at bank)		28,100	20,000
	Other Current Assets (Prepaid expenses)		3,950	3,000
	Total		3,08,250	3,33,300

The following additional information's for 2017 are also given:

1. Net profit Rs. 27,050
2. Depreciation charged Rs. 10,000.
3. Cash dividend declared during 2016-2017, Rs. 12,000
4. An addition to the building was made during the year at a cost of 78,000/- and fully depreciated equipment costing Rs. 30,000 was discarded as no salvage being realised.
5. Debentures were redeemed on 01-04-2016.

(10 x 3 = 30)