

Reg. No.....

Name.....

**B. COM. DEGREE END SEMESTER EXAMINATION MARCH 2019****SEMESTER – 6 : COMMERCE (CORE COURSE)****COURSE: 15U6RCOM17 – ACCOUNTING FOR MANAGERIAL DECISIONS**

Time: Three Hours

Max Marks: 75

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

1. What is cash flow statement?
2. What do you mean by non-current liabilities?
3. Define 'Analysis of Financial Statements'?
4. What is return on investment?
5. What is responsibility accounting?
6. How will you calculate cash from operation?
7. What is profit centre?
8. What is fund flow statement?
9. What is inter firm comparison?
10. What do you mean by EPS ?

**(10x2=20marks)****SECTION B*****Answer any 5 questions, each carries 5 marks***

11. Analysis without Interpretation is meaningless and Interpretation without analysis is impossible'. Explain?
12. Current Ratio =2.8  
Acid –Test Ratio =1.5  
Working capital =1,62,000  
Calculate 1) Current Assets 2)Current Liabilities ,3) Liquid Assets , 4) Stock
13. From the following information estimate net cash from operating activities for the year 2016

Net profit before tax	3,20,000
Income tax paid	1,50,000
Depreciation on fixed assets	40,000
Profit on sale of land	10,000

Interest on debentures paid	15,000
Dividend received	20,000
Proceed from earthquake disaster settlement	30,000
Increase in the amount of stock	15,000
Decrease in debtors	20,000
Decrease in creditors	30,000

14. What are the difference between Fund flow and cash flow statement?

15. Prepare a comparative statement from the following data (Rs in Lakhs)

<b>Income Statement</b>	<b>2014-15</b>	<b>2015-16</b>
Net sales	800	1000
Purchases	600	800
Salaries	40	50
Selling expenses	20	30
Opening stock	30	40
Closing stock	40	50

16. From the following calculate fund from operation

Expenses	3,00,000	Gross profit	4,50,000
Depreciation	70,000	Gain on sale of land	60,000
Discount	200		
Goodwill	20,000		
Loss on sale of machine	4,000		
Net profit	1,15,800		
	5,10,000		5,10,000

17 . 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

**SECTION C****Answer any 3 questions, each carries 10 marks**

18. Define responsibility accounting.? What are the fundamental aspects and principles of responsibility accounting.?

19. Balance sheet of M/S Black & White as on 1<sup>st</sup> January 2016 and 31<sup>st</sup> 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			Machinery	80000	55000
White	25000		Land	40000	50000
Capital	125000	153000	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

20.The ratios relating to Bright 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

21.From the following summary cash account of Y Ltd prepare Cash Flow Statement for the year ended 31<sup>st</sup> March 2017 in accordance with AS-3 using the direct method. The company does not have any cash equivalents.

## Summary Cash Account for the year ended 31.3.2017

Balance on 1.4.2016	500	Payment to suppliers	20000
Issued of Equity shares	3000	Purchase of fixed assets	2000
Receipts from customers	28000	Overhead expenses	2000
Sale of fixed assets	1000	Wages and Salaries	1000
		Taxation	2500
		Dividend	500
		Repayment of Bank Loan	3000
		Balance on 31.3.2017	1500
	32500		32500

22. From the following information, prepare a Balance Sheet as with as many details as possible

- a) Working capital - 75,000
- b) Reserves & Surplus - 1,00,000
- c) Bank Overdraft - 60,000
- d) Current Ratio - 1.75
- e) Liquid Ratio - 1.15
- f) Fixed assets to proprietor's fund 0.75 : 1
- g) Long term liabilities - Nil

**(3x10 =30marks)**