

B. COM DEGREE END SEMESTER EXAMINATION - MARCH 2025**SEMESTER 6 : COMMERCE****COURSE : 19U6CRCOM21 - ACCOUNTING FOR MANAGERIAL DECISIONS***(For Regular 2022 Admission and Supplementary 2021/2020/2019 Admissions)*

Time : Three Hours

Max. Marks: 75

PART A**Answer any 10 (2 marks each)**

1. What is the need for calculating Turnover Ratio ?
2. Which are the three elements of standard costing?
3. Is depreciation a source of finance ?
4. What is trend analysis?
5. What are the uses of funds flow statement ?
6. What do you mean by cash flow statement ?
7. Define Ratio Analysis.
8. List out four advantage of ratio analysis.
9. What are the limitations of funds flow statement ?
10. What are all the reasons of material variance?
11. What are the uses of preparing a cash flow statement.
12. Discuss interest coverage ratio.

(2 x 10 = 20)**PART B****Answer any 5 (5 marks each)**

13. What is meant by ratio analysis? Discuss its objects and limitations.

14.	Balance as on	31.03.2019	31.03.2020
	Equity share capital	2,00,000	2,50,000
	Share premium	0	25,000
	Preference share capital	2,00,000	1,00,000
	12% debentures	1,00,000	2,50,000
	Mortgage loan	50,000	0
	Interest paid on debentures and loans for the year Rs. 20,000		
	Interim dividend paid Rs. 12,000		

Prepare a statement showing net cash flow from financing activities.

15. From the following information, prepare a comparative income statement and interpret the statement.

Particulars	2020 (₹'000)	2021 (₹'000)
Sales	600	750
Sales return	30	50
Cost of goods sold	350	400
Administration expenses	20	20
Selling expenses	10	12
Bad Debt	20	10
Depreciation	15	16

Income from investment	20	24
Interest on debentures	16	16
Loss on sale of investment	10	5
Income tax	19	19

16. Distinguish between :
 (a) Balance Sheet and Funds Flow Statement.
 (b) Funds Flow Statement and Income Statement.
17. The following are the extracts from the income statement of Bright Ltd for the 6 years ending 2021 you are required to calculate trend percentages taking 2016 as the base year and give your conclusions:

Particulars	2016	2017	2018	2019	2020	2021
sales	300	340	420	480	520	600
cost of sales	180	204	256	287	300	330
office exp	40	42	45	50	55	60
Selling exp	20	25	30	40	50	60
Net profit	60	69	89	103	115	150

18. From the following information relating to Bright Ltd., calculate funds lost in operations.

Net Loss for the year	90,000
Dividend received	7,000
Depreciation charged	10,000
Profit on sale of assets	5,000
Refund of tax	2,000

19. Explain the limitations of Standard Costing.
20. "Ratio analysis is only a technique for making judgements and not a substitute for judgements." Examine.

(5 x 5 = 25)

PART C

Answer any 3 (10 marks each)

21. From the following balance sheets and additional information given, you are required to calculate funds from operations for the year ended 31st March, 2016.

Particulars	Note No.	31- 03- 2016 ₹	31- 03- 2015 ₹
I. Equity and Liabilities			
1. Shareholders' Funds:			
(a) Share capital		1,50,000	1,00,000
(a) Reserves and surplus			
General Reserve		30,000	30,000
Balance of P/L		22,000	20,000
2. Non- current liabilities:			
Long term borrowings (6% debentures)		80,000	80,000
Long term provisions			
Provision for Employee Benefits		10,000	5,000
3. Current Liabilities:			
Trade Payables (Creditors)		58,000	65,000
TOTAL	-	3,50,000	3,00,000

I. Assets			
1. Non- current Assets:			
(a) Fixed Assets:			
(i) Tangible			
Land& Buildings		95,000	1,00,000
Plant& Machinery		<u>90,000</u>	<u>80,000</u>
(b) Intangible Assets		10,000	20,000
Goodwill			
(c) Non- current Investments		10,000	---
2. Current Assets:			
(a) Inventories (Stock)		1,10,000	70,000
(d) Trade Receivables		25,000	20,000
(e) Cash and cash equivalents		10,000	10,000
TOTAL	-	<u>3,50,000</u>	<u>3,00,000</u>

Additional Information:

- During the year ended 31- 03- 2016, dividends of ₹15,000 were paid.
 - Depreciation written off Plant & Machinery amounted to ₹6,000 and no depreciation has been charged on Land & Building
 - Provision for employee benefits made during the year ₹5,000.
 - Profit on sale of machinery ₹2,000.
22. Explain various techniques and tools of financial statement analysis.
23. The following are the summarized balance Sheet of Ayodhya Ltd. As on 31st march 2019 and 2020

Particulars	Note No.	2019	2020
I. Equity and Liabilities			
Shareholders' Funds:			
Share capital		2,00,000	2,50,000
Reserves and surplus:	1		
General Reserve		50,000	60,000
Profit & Loss A/c		30,500	30,600
Non Current Liabilities			
Long term borrowing (Bank Loan)		70,000	
Current Liabilities:			
Trade Payable (Sundry Creditors)		1,50,000	1,35,200
Short term Provision (Tax)		30,000	35,000
TOTAL	-	<u>5,30,500</u>	<u>5,10,800</u>
II. Assets			
Non- current Assets:			
Fixed Tangible Assets	2		
Land and Building		2,00,000	1,90,000
Plant and Machinery		<u>1,50,000</u>	<u>1,69,000</u>
Intangible Assets (Goodwill)		---	5,000
Current Assets:			
Inventories (Stock)		1,00,000	74,000
Trade Receivables (Debtors)		80,000	64,200

Cash and Cash Equivalents	3		
Cash in Hand		---	600
Cash at Bank		500	8,000
TOTAL	-	<u>5,30,500</u>	<u>5,10,000</u>

Additional information:

1. Dividend of 23,000 was paid and Bank loan is repaid on 1.4.2019.
 2. Assets of another company were purchased for a consideration of 50,000 payable in shares. The following assets were purchased:
Stock 20,000; Machinery - 25,000.
 3. Machinery was further purchased for 8,000.
 4. Depreciation written off on machinery 12,000 and on building 10,000.
 5. Income tax provided during the year, 33,000.
 6. Loss on sale of machinery 200 was written off to general reserve.
- You are required to prepare the cash flow statement.

24. Following information pertaining to financial statement of a firm:

Net Current Assets Rs. 100000
Paid up capital Rs. 300000
Current Ratio - 1.8:1
Liquid Ratio - 1.35:1
Fixed Assets to Shareholders Equity - 80%
Gross Profit Ratio 25%
Net Profit to Paid up Capital 20%
Stock Turnover 5 times
Average Age of Outstanding Customers 36.5 days

Calculate:

- Current Assets
- Current Liabilities
- Liquid Assets
- Closing Stock
- Cost of sales
- Gross Profit
- Sales
- Net Profit
- Operating expenses
- Fixed Assets
- Reserves and surplus

25. Following is the B S of sweety Ltd as on 31-3-21

Liability	₹	Assets	₹
Preference share capital	400000	L&B	350000
Equity Share Capital	600000	P&M	400000
reserves and surplus	150000	Investment	150000
Long term loans	100000	Stock	180000
B/P	20000	Sundry Debtors	120000
Sundry Creditors	30000	Cash	120000
O/S Expenses	8000		
Proposed dividend	12000		
	1320000		1320000

Prepare common size Balance Sheet and comment on the Balance Sheet

(10 x 3 = 30)