

B. COM. DEGREE END SEMESTER EXAMINATION - MARCH 2026**SEMESTER 6 : COMMERCE****COURSE : 19U6RCOM21 : ACCOUNTING FOR MANAGERIAL DECISIONS***(For Regular 2023 Admission and Supplementary 2022/ 2021/2020/2019 Admissions)*

Time : Three Hours

Max. Marks: 75

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

1. Explain the types of variances.
2. How will you calculate cash from operations?
3. Name three current assets movement ratios.
4. Describe the term 'Capital employed.'
5. What is a ratio ? How are the ratios classified?
6. State the significance of operating ratio.
7. What do you mean by comparative statement?
8. Compare 'fund flow statement with a balance sheet.
9. Name various sources of funds.
10. What are the sources of cash inflow?
11. Which are the three elements of standard costing?
12. Is depreciation a source of finance?

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

13. 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.

14. Describe the various ratios that are likely to help the management of a manufacturing unit forming an opinion on the solvency position of business.
15. Balance Sheet of X Ltd for 2020 and 2021 are as follows:

Liabilities	2020	2021	Asset	2020	2021
Share capital	800000	1000000	P&M	600000	540000
Res and surplus	300000	400000	Furniture	40000	60000
10% Debentures	200000	300000	Debt and stock	700000	1000000
B/P	60000	40000	B/R	100000	200000
Sundry creditors	240000	360000	Cash	160000	300000
	1600000	2100000		1600000	2100000

From the above BS of X Ltd prepare a Comparative Balance Sheet 2020-21

16. What are all the reasons of labour variance?
17. From the following balance sheet of Sivaranjini Ltd prepare schedule of changes in working capital.

Liabilities	2015	2016	Assets	2015	2016
Equity share capital	3,00,000	4,00,000	Goodwill	1,00,000	80,000
Preference share capital	150,000	1,00,000	Land	2,00,000	170,000
Capital reserve	20,000	Plant	80,000	2,00,000
General reserve	40,000	50,000	Investment	20,000	30,000
Profit and loss account	30,000	48,000	Sundry debtors	1,40,000	170,000
Proposed dividend	42,000	50,000	Stock	77,000	1,09,000
Sundry creditors	25,000	47,000	Bills receivable	20,000	30,000
Bills payable	20,000	16,000	Cash in hand	15,000	10,000
Liability for expenses	30,000	36,000	Cash at bank	10,000	8,000
Provision for tax	40,000	50,000	Preliminary expenses	15,000	10,000
	6,77,000	8,17,000		6,77,000	8,17,000

18. What is meant by ratio analysis? Discuss its objects and limitations.
19. What are the causes for changes in Working Capital? Explain.
20. The income statement of a concern is given for the year ending 31st March 2020 and 2021 rearrange the figures in companies form and interpret the result.

Particulars	2020	2021
Net sales	1570000	1800000
Cost of goods sold	900000	1000000
Opening expenses:		
General administrative exp	140000	144000
selling exp	160000	180000
Non operating expenses:		
Interest paid	50000	60000
Income Tax	140000	160000

(5 x 5 = 25)

PART C
Answer any 3 (10 marks each)

21. The Balance Sheet of a company as on 31st March 2016 and 2017 are given below. Prepare cash flow statement.

Balance Sheet

Particulars	Note No.	31.03.2016	31.03.2017
I. Equity and Liabilities			
Shareholders' Funds:			
Share capital		1,00,000	1,60,000
Reserves and surplus:		70,250	85,300
Non Current Liabilities			
Long term borrowing (12% Debenture)		50,000	---
Long term provisions (Accumulated Depreciation)		60,000	40,000
Current Liabilities:			
Trade Payable (Sundry Creditors)		28,000	48,000
TOTAL		3,08,250	3,33,300
II. Assets			
Non- current Assets:			
Fixed Tangible Assets		1,52,000	2,00,000
Current Assets:			
Inventories (Stock)		93,400	89,200
Trade Receivables (Debtors)		30,800	21,000
Cash and Cash Equivalents		28,100	20,000
Other Current Assets (Prepaid expenses)		3,950	3,000
TOTAL		3,08,250	3,33,300

The following additional information for 2017 is also given:

1. Net Profit ₹ 27,050.
2. Depreciation charged ₹ 10,000.
3. Cash dividend declared during the year 2016-17 ₹ 12,000.
4. An addition to the building was made during the year at a cost of 78,000 and fully depreciated equipment costing 30,000 was discarded as no salvage being realized.
5. Debentures were redeemed on 01.04.2016.

22. Following is the Balance sheet of Nagarjuna Ltd as on 31st December 2016

Balance Sheet as on 31.12. 2016

Particulars	Note No	Amt
EQUITY AND LIABILITIES		
(1) Shareholder's Fund		
Share capital	1	60,000
Reserves and surplus		40,000
(2) share Application Money Pending Allotment		
(3) Non- current Liabilities		
Long term borrowings(6% debentures)		70,000
(4) Current Liabilities		
Trade payables	2	16,000
Other current Liabilities(o/s expenses)		1,000
Short term provisions(Provision for tax)		13,000
Total		2,00,000
ASSETS		
(1) Non-current Assets		
Fixed Assets:		
Tangible assets	3	1,30,000
(2) Current Assets		
Current Investments(10% investments)		15,000
Inventories(stock)		30,000
Trade receivables(Debtors)		20,000
Cash and cash Equivalents(cash)		5,000
Total		2,00,000

Note to Account

Particulars	Amount
1. Share capital	
Equity Share capital(5,000 share of Rs 10 each)	50,000
7 % Preference shares	10,000
Total	60,000
2. Trade payables	
Creditors	6,000
Bills payable	10,000
Total	16,000
3. Tangible assets	
Machinery	50,000
Land and Buildings	80,000
Total	1,30,000

Other information:

1. Net revenue from the operations	3,00,000
2. Cost of revenue from the operations	2,58,000
3. Net income before tax (after interest)	20,000
4. Net income after interest and tax	10,000
5. Market price of equity share (per share)	20

Calculate

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|------------------------------------|--------------------------------------|
| 1. Current Ratio | 2. Acid Test Ratio |
| 3. Debt- Equity Ratio | 4. Proprietary Ratio |
| 5. Fixed Asset to Net worth Ratio | 6. Gross Profit Ratio |
| 7. Net Profit Ratio | 8. Operating Ratio |
| 9. Return on total Assets | 10. Return on Capital Employed |
| 11. Inventory Turnover Ratio | 12. Trade Receivables Turnover Ratio |
| 13. Average collection period | 14. Fixed Asset Turnover Ratio |
| 15. Capital Gearing Ratio | 16. Return on Shareholders' Fund |
| 17. Return on Equity Share Capital | 18. E.P.S |
| 19. Price Earnings Ratio | 20. Debt Service Ratio |

23. What is financial statement analysis? Explain various types of financial analysis?

24. From the following Balance sheet of X Co. Ltd. make out a fund flow statement.

Liabilities	2018 Rs.	2019 Rs.	Assets	2018 Rs.	2019 Rs
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% redeemable pref. share capital	1,50,000	1,00,000	Land and building	2,00,000	1,70,000
General reserve	40,000	70,000	Plant	80,000	2,00,000
Profit and loss account	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills receivable	20,000	30,000
Bills payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for taxation	40,000	50,000	Cash at bank	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

Additional information:

(i) Depreciation of Rs.10, 000 and Rs.20, 000 have been charged on plant and land and Building respectively in 2019.

(ii) Interim dividend of Rs.20, 000 has been paid in 2019.

(iii) Income tax Rs.35, 000 has been paid during the year 2019.

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)