

B. COM. DEGREE END SEMESTER EXAMINATION - MARCH 2018**SEMESTER – 6: COMMERCE (CORE COURSE)****COURSE: 15U6CRCOM17: ACCOUNTING FOR MANAGERIAL DECISIONS***(For Regular 2015 Admission)*

Time: Three Hours

Max. Marks: 75

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

1. What is standard cost?
2. What is a cost center?
3. What is meant by Static Analysis?
4. What are trend ratios?
5. What is meant by combined ratios (with one example)?
6. Calculate current liabilities, if current asset is 1,20,000 and current ratio is three times.
7. What is meant by flow of funds?
8. What is fund from operation?
9. Differentiate between cash flow and fund flow statements on the basis of change in current assets and liabilities.
10. What is meant by variance analysis? (2 x 10 = 20)

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

11. Current Ratio = 2.8, Acid-test Ratio = 1.5, Working Capital = 1,62,000.
Calculate (i) Current Assets (ii) Current Liabilities (iii) Liquid Assets (iv) Stock.
12. Prepare statement of sources and application of funds.

i. Increase in working capital	4000
ii. Net Profit before writing off goodwill and charging dividend	10,750
iii. Depreciation provided	1750
iv. Dividend Paid	3500
v. Goodwill written off out of profit	5000
vi. Share capital issued for cash	5000
vii. Machinery purchased for cash	10000
13. Compute cash from operation from the following:

i. Net profit before tax	55000
ii. Income tax paid	22000
iii. Depreciation written off on fixed asset	2500
iv. Profit on sale of land	5000
v. Interest on debentures paid	1500
vi. Dividend received	1000
vii. Proceeds from earth quake disaster management	2000

- viii. Increase in the amount of stock 750
 ix. Decrease in debtors 300
 x. Decrease in creditors 250
14. Product M requires 100kgs of materials @ Rs. 40 per kg. The actual consumption of material for the manufacturing of that product came to 120kgs of materials @ Rs. 45 per kg. Calculate MCV, MPV, MUV.
15. From the following prepare schedule of changes in working capital.

Liabilities	2002	2003	Assets	2002	2003
Share capital	4,50,000	4,50,000	Land	2,00,000	2,00,000
General reserve	3,00,000	3,10,000	& buildings	2,00,000	1,20,000
Profit & Loss A/c	56,000	68,000	Machinery	50,000	60,000
Creditors	1,68,000	1,34,000	Investments	2,40,000	2,10,000
Provision for tax	75,000	10,000	Stock	2,10,000	4,55,000
Mortgage loan	2,70,000	Debtors	1,49,000	1,97,000
			Cash		
	10,49,000	12,42,000		10,49,000	12,42,000

16. Fund flow statement is an important tool in the armoury of the finance manager. Explain.
17. Explain the classification of ratios according to its nature. (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
Share Capital	2,00,000	2,50,000	Land & building	2,00,000	1,90,000
General Reserve	50,000	60,000	Plant & Mach.	1,50,000	1,69,000
Profit & Loss A/c	30,500	30,600	Stock	1,00,000	74,000
Bank loan	70,000	-----	Sundry debtors	80,000	64,200
Sundry Creditors	1,50,000	1,35,200	Cash in hand	500	600
Provision for tax	30,000	35,000	Cash at bank	-----	8,000
			Goodwill	-----	5,000
	5,30,500	5,10,800		5,30,500	5,10,800

Additional information:

During the year 2003:

- Dividend of Rs.23000 was paid.
- Assets of another company were purchased for a consideration of Rs.50,000 payable in shares.

The following assets were purchased: Stock – Rs.20,000; Machinery – Rs.25000.

iii. Machinery was purchased for Rs.8000.

iv. Depreciation written off: building – Rs.10,000 and machinery – Rs.14000.

v. Income tax paid during the year amounted to Rs.28,000.

19. From the following given information complete the Balance Sheet for the year 2003.

Liabilities	Amt.	Assets	Amt.
Share capital	Fixed assets
Reserves and surplus	Stock
Long term borrowings (bal. fig.)	Debtors
Current liabilities	Bank

Current ratio	2.5
Liquidity ratio	1.5
Net working capital	Rs.3,00,000
Stock turnover ratio	6 times
Gross profit ratio	20%
Fixed Assets turnover ratio	2 times
Debt collection period	2 months
Fixed assets to shareholders net worth	0.80
Reserve and surplus to capital	0.50

20. The income statement of a concern is given for the year ending 31st march 2010 and 2011. Rearrange the figures in comparative form and interpret the result.

Particulars	2010	2011
Net sales	15,70,000	18,00,000
Cost of goods sold	9,00,000	1,00,000
<u>Operating expenses:</u>		
General & administrative expense	1,40,000	1,44,000
Selling expense	1,60,000	1,80,000
<u>Non-operating expenses:</u>		
Interest paid	50,000	60,000
Income tax	1,40,000	1,60,000

21. From the following prepare Cash Flow Statement.

Liabilities	31.3.03	31.3.04	Assets	31.3.03	31.3.04
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
12% Redeemable preference share capital	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Machinery	80,000	2,00,000
Profit & Loss A/c	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 tax	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.10000 and Rs.20000 has been charged on machinery and land & buildings respectively in the year ended 31.3.04.
 - ii. An interim dividend of Rs.20,000 has been paid in October 2003.
 - iii. Rs.35000 income tax was paid during the year 2003-04.
22. Explain the procedure for establishment of standards.

(10 x 3 = 30)
