

FIFTH SEMESTER B. Com. DEGREE EXAMINATION, NOVEMBER 2024
(Regular/Improvement/Supplementary)
FINANCE & COMPUTER APPLICATION
GBCM5B07T: ACCOUNTING FOR MANAGEMENT

Time: 2 ½ Hours**Maximum Marks: 80**

SECTION A: Answer the following questions. Each carries *two* marks.
(Ceiling 25 marks)

1. What is integrated auditing?
2. Define financial accounting.
3. What do you mean by analysis and interpretation of financial statements?
4. Distinguish between comparative and common size financial statements.
5. What is ratio analysis?
6. Comment on net capital employed.
7. What is the formula to calculate EPS?
8. What is proprietary ratio?
9. What do you mean by flow of fund?
10. Give any two examples of financing cash flows.
11. Bought machinery for Rs. 10,000. How does this transaction affect the working capital?
12. Comment on gross working capital.
13. What is margin of safety?
14. Distinguish between marginal costing and absorption costing.
15. What is cash breakeven point?

SECTION B: Answer the following questions. Each carries *five* marks.
(Ceiling 35 marks)

16. Differentiate between financial accounting and management accounting.
17. Explain the significance of cash flow statement.
18. What are the different methods used for analysis and interpretation of financial statements?
19. Calculate the trend ratios from the following figures of KK Ltd.

(Amount in Lakhs)

| Items/Year | 2019 | 2020 | 2021 | 2022 | 2023 |
|--------------------|------|------|------|------|------|
| Sales | 2250 | 3170 | 4890 | 5790 | 6600 |
| Cost of Goods Sold | 1250 | 1360 | 2025 | 3035 | 4025 |
| Gross Profit | 1000 | 1810 | 2865 | 2755 | 2575 |

(PTO)

20. Current ratio - 2.5, Liquid ratio – 1.5, Net working capital Rs.3,00,000

Calculate – 1) Current assets 2) Current Liabilities 3) Value of Stock

21. From the following Balance Sheet prepare a Fund Flow Statement of AB Traders:

| Liabilities | 31-3-23 | 31-3-24 | Assets | 31-3-23 | 31-3-24 |
|---------------------|-----------------|-----------------|-----------|-----------------|-----------------|
| Current Liabilities | 52,500 | 60,000 | Cash | 7,500 | 6,000 |
| Loan from Ajith | ----- | 37,500 | Debtors | 60,000 | 67,500 |
| Loan from Bank | 60,000 | 45,000 | Stock | 45,000 | 37,500 |
| Capital | 2,25,000 | 2,31,000 | Land | 45,000 | 60,000 |
| | | | Building | 75,000 | 82,500 |
| | | | Machinery | 1,05,000 | 1,20,000 |
| | 3,37,500 | 3,73,500 | | 3,37,500 | 3,73,500 |

During the year the firm brought in additional capital of Rs. 15,000 and the drawings during the year were Rs. 46,500. Provision for depreciation on Machinery: Opening balance Rs. 45,000 and closing balance Rs. 60,000. No depreciation is needed to be provided on other assets.

22. The net profit of a company before tax is Rs.7,50,000 as on 31st March 2024 after considering the following items:

| | |
|------------------------------|--------------|
| Depreciation on fixed assets | - Rs. 50,000 |
| Goodwill written off | - Rs. 15,000 |
| Loss on sale of machinery | - Rs. 12,000 |
| Tax paid | - Rs. 83,000 |

| Items | 31-3-2023 | 31-3-2024 |
|----------------------|-----------|-----------|
| Accounts receivables | 50,000 | 31,000 |
| Accounts payable | 20,000 | 25,000 |
| Debtors | 60,000 | 75,000 |
| Stock | 30,000 | 28,000 |
| Outstanding expenses | 15,000 | 10,000 |

Calculate cash from operating activities.

23. You are given the following information relating to the product – X10

| | |
|------------------------|------------|
| Selling price per unit | - Rs.100 |
| Variable cost per unit | - Rs.50 |
| Total fixed cost | - 1,00,000 |

- Calculate:
1. PV Ratio
 2. Break Even Point
 3. Sales required to earn a profit of Rs. 50,000

SECTION C: Answer any two questions. Each carries ten marks.

24. Explain the significance of ratio analysis in management accounting.
25. How does a fund flow statement differ from a cash flow statement?

26. Following is the balance sheet of R Ltd. as on 31st March 2023:

| Liabilities | Amount | Assets | Amount |
|------------------------------|----------|---------------------|----------|
| Share capital | | Land and Buildings | 70,000 |
| 1,00,000 shares of Re.1 each | 1,00,000 | Plant and machinery | 1,75,000 |
| Profit and Loss A/c | 15,000 | Stock in trade | 1,00,000 |
| General Reserve | 20,000 | Sundry Debtors | 50,000 |
| Development Rebate Reserve | 10,000 | Bills Receivables | 5000 |
| Bank Overdraft | 2,00,000 | Cash at bank | 20,000 |
| Sundry Creditors | 50,000 | | |
| Bills Payable | 25,000 | | |
| | 4,20,000 | | 4,20,000 |

Calculate appropriate ratios and comment on the liquidity and financial stability of the company.

27. In a factory producing two different products the limiting factor is the availability of material. The following particulars are given:

| Particulars | Product – A, Per unit cost | Product – B, Per unit cost |
|-------------------|----------------------------|----------------------------|
| Materials | 25 | 40 |
| Labour | 10 | 15 |
| Variable expenses | 5 | 6 |
| Fixed expenses | 4 | 4 |
| Total cost | 44 | 65 |
| Selling price | 55 | 80 |
| Profit | 11 | 15 |

Calculate:

1. Breakeven point
2. Margin of safety
3. Also comment on the profitability of the product if availability of raw material is the limiting factor.
Assume 1000 units of production of A and B.

(2 × 10 =20 Marks)