

E 6184



Reg. No.....

Name.....

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, SEPTEMBER 2024

Sixth Semester

Core Course 17—ACCOUNTING FOR MANAGERIAL DECISIONS

(Common for B. Com. Model I, B. Com. (Vocational-Model II) and

Model III)

[Prior to 2013 Admissions]

Time : Three Hours

Maximum Weight : 25

Section A

Answer all questions.

*Each bunch of **four** questions carries a weight of 1.*

I. Choose the correct answer :

- 1 The nature of financial accounting is _____.
 - a) Historical.
 - b) Present.
 - c) Future.
 - d) All of these.
- 2 Internal analysis is an analysis conducted by _____.
 - a) Shareholders.
 - b) Public.
 - c) Management.
 - d) Creditors.
- 3 Stock Turnover ratio is the ratio between sales and _____.
 - a) Opening stock.
 - b) Closing stock.
 - c) Average stock.
 - d) Purchase.
- 4 Which of the following are sources of funds ?
 - a) Issue of debentures.
 - b) Decrease in working capital.
 - c) Sale of assets.
 - d) All of the above.

Turn over





II. Fill in blanks :

- 5 Cash flow statement is based upon _____.
- 6 The difference between Capital employed and Debt is called _____.
- 7 Analysis of financial statement for one year is known as _____.
- 8 Profit center is also called as _____ center.

III. State whether the statements are True or False :

- 9 Turnover ratio is based on working capital.
- 10 Debtors turnover ratio helps to know the collection period.
- 11 Depreciation is considered as an application of funds.
- 12 Capital invested in current assets is known as net working capital

IV. Match the following :

- | | |
|------------------------|------------------------------|
| 13 Fund | a) Non-current assets. |
| 14 Sale of plant | b) Increase in stock. |
| 15 Goodwill | c) Inflow of cash. |
| 16 Application of fund | d) Current assets. |
| | e) Outflow of cash. |
| | f) Cash and cash equivalent. |

(4 × 1 = 4)

Section B

*Answer any **five** questions.
Each question carries a weight of 1.*

- 17 What is comparative statement ?
- 18 Write a short on vertical analysis ?
- 19 Explain about liquidity ratios.
- 20 State the concept of coverage ratios.
- 21 State any *four* advantages of fund flow statement.





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- 22 Define net working capital.
- 23 Define cash flow statement.
- 24 Write a short note on Investment Centre.

(5 × 1 = 5)

Section C

*Answer any **four** questions.
Each question carries a weight of **2**.*

- 25 Define Responsibility Accounting. State the principles of Responsibility Accounting.
- 26 What is Management Accounting ? What are its utilities ?
- 27 Define Stock Turnover Ratio, Explain the method of calculating the stock turnover ratio.
- 28 Prepare a Comparative Income Statement from the following :

<i>Particulars</i>	31 March 2022 (Rs.)	31 March 2023 (Rs.)
Sales	17,50,000	21,00,000
Cost of Goods sold	10,00,000	13,50,000
Operating expenses :		
Administrative expenses	2,67,000	3,15,000
Non-operating expenses :		
Interest	1,10,000	90,000
Income Tax	1,00,000	1,90,000

- 29 Calculate :
 - i) Debt to Equity Ratio ;
 - ii) Debt to Total Capital Ratio ;
 - iii) Proprietary Ratio ; and
 - iv) Capital Gearing Ratio.

Total equity excluding preference share capital Rs. 10,00,000, Preference share capital Rs. 2,00,000, Debenture Rs. 3,00,000, Long term loan Rs. 4,00,000 and Sundry creditors Rs. 30,000.

Turn over





30 Calculate cash from Operating Activities from the following :

Net profit transferred to Balance Sheet	...	Rs. 2,30,000
Depreciation for fixed assets	...	Rs. 43,000
Profit on sale of plant	...	Rs. 17,000
Loss on sale of furniture	...	Rs. 15,000

The balance of current items are as follows.

	31 March 2022	31 March 2023
Bills payable (Rs)	17,500	14,600
Stock	42,700	34,600
Debtors	27,500	34,400
BR	15,000	19,000
Sundry creditors	36,900	47,700

(4 × 2 = 8)

Section D

Answer any two questions.

Each question carries a weight of 4.

- 31 State the procedures for preparing cash flow statement. Explain its merits and demerits.
32 Prepare Fund Flow Statement from the following particulars.

Balance Sheet

<i>Liabilities</i>	2021 Rs.	2022 Rs.	<i>Assets</i>	2021 Rs.	2022 Rs.
Share Capital	9,00,000	9,00,000	L and B	4,00,000	68,000
Profit and Loss a/c	91,000	1,31,000	P and M	4,80,000	4,00,000
General Reserve	46,000	54,000	Stock	90,000	75,000
Workmen Comp. Fund	40,000	30,000	Debtors	41,000	63,000
Total	1,13,000	13,30,000		1,13,000	13,30,000





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Depreciation for fixed Assets @ 10 %. During the year plant Sold for Rs. 60,000. Assume that sale of plant at the end and Purchase of land in the beginning.

33 Prepare the Balance Sheet of X Ltd. from the following.

Gross profit ratio 25 % ; Capital Turnover ratio 1.5 ; Stock Velocity 5 ; Fixed Assets Turnover ratio 2.5 ; Debtors collection Period 50 days ; Creditors payments period 60 days ; Gross profit is Rs. 1,50,000 ; Closing stock is Rs. 30,000 more than the Opening stock and Direct cost is Rs. 80,000, Cash Rs. 38,561.

(2 × 4 = 8)

