

TB156245A

Reg. No:.....

Name:.....

**B.COM. DEGREE (C.B.C.S.S) EXAMINATION, MARCH 2018**

**(2015 Admission Regular)**

**SEMESTER VI – CORE ( COMMERCE )**

**CO6B24B - ACCOUNTING FOR MANAGERIAL DECISIONS**

**Time : Three Hours**

**Maximum Marks : 80**

**Part A**

**I. Answer all questions. Each question carries 1 marks (6x1=6)**

1. What do you mean by financial statement analysis?
2. What is EPS?
3. What is interfirm comparison?
4. Mention any two examples of cash from investing activities.
5. What do you mean by current assets?
6. What do you mean by average debt collection period?

**Part B**

**II. Answer any seven questions. Each question carries 2 marks (7x2=14)**

7. What are the uses of cash flow statement?
8. State any two objectives of responsibility accounting.
9. Give two examples of cash transactions which affect the flow of fund.
10. What is profit centre?
11. Distinguish between horizontal analysis and vertical analysis?
12. What are the uses of funds in a business?
13. Explain profitability ratios with example.
14. Calculate Debt equity ratio from the following particulars: Total Assets Rs.300000;  
Total debt Rs.90000; Current Liabilities Rs.10000
15. Mention the characteristics of ideal financial statement.
16. What do you mean by schedule of changes in working capital?

**Part C**

**III. Answer any five questions. Each question carries 6 marks. (5x6=30)**

17. What are the limitations of financial statements?
18. From the following information prepare comparative income statement of PQR Ltd.

Particulars	2014-15	2015-16
Net sales	600	750
Purchases	400	600
Salaries	20	20
Selling expenses	10	10
Opening stock	20	30
Closing stock	30	40

19. The ratios relating to Cosmos Ltd. are given below:

Gross Profit ratio	15%
Stock velocity	6 months
Debtors velocity	3 months
Creditors velocity	3 months

Gross Profit for the year ending amounts to Rs.60000.  
Closing stock is equal to opening stock

Find out:

(a) Sales (b) Closing stock (c) Sundry debtors (d) Sundry creditors

20. What are turnover ratios? Discuss their significance.

21. From the following information, ascertain net cash flow from operating activities for the year 2017

Net profit before tax	Rs.55000
Income tax paid	Rs.22000
Depreciation w/o on fixed assets	Rs.2500
Profit on sale of land	Rs.5000
Interest on debentures paid	Rs.1500
Dividend received	Rs.1000
Proceeds from earthquake settlement	Rs.2000
Increase in amount of stock	Rs.750
Decrease in debtors	Rs.300
Decrease in creditors	Rs.250

22. Differentiate Fund Flow Statement and Income Statement.

23. Fixed Assets (at cost) on 1-1-2011	Rs.240000
Fixed Assets (at cost) on 31-12-2011	Rs.350000
Provision for depreciation on 1-1-2011	Rs.60000
Provision for depreciation on 31-12-2011	Rs.65000
Depreciation charged for 2011	Rs.30000

During 2011 an item of Fixed Asset costing Rs.40000 having an accumulated depreciation

of Rs.25000 and was sold for Rs.10000. Find out the outflow of funds on account of purchase of Fixed Assets during 2011.

24. What are the principles of responsibility accounting?

**Part D**

**IV. Answer any two questions. Each question carries 15 marks.**

**(2x15=30)**

25. The following are the summarised Balance Sheets of Kairali Ltd. as on 31st March 2011 and 2012

<b>Balance Sheet</b>					
<b>Liabilities</b>	<b>31-3-2011</b>	<b>31-3-2012</b>	<b>Assets</b>	<b>31-3-2011</b>	<b>31-3-2012</b>
Equity Share Capital	500000	600000	Land and buildings	290000	383000
8% Debentures	200000	250000	Plant and Machinery	460000	540000
Share premium	50000	60000	Furniture	60000	74000
General Reserve	25000	40000	Inventories	80000	110000
P & L a/c	110000	135000	Sundry debtors	40000	33000
Sundry creditors	25000	20000	Cash	10000	5000
Proposed dividend	30000	40000			
	<u>940000</u>	<u>1145000</u>		<u>940000</u>	<u>1145000</u>

Additional Information:

- a. Depreciation was provided during 2011-12
 

Land and buildings	Rs.23000
Plant and machinery	Rs.42000
Furniture	Rs.6000
- b. An old machine having a book value of Rs.40000 was sold for Rs.32000 during the year 2011-12
- c. During 2011-12 10000 additional shares of Rs.10 each were issued at a premium of 10%  
Prepare (1) Schedule of changes in working capital  
(2) Fund Flow Statement

26. With the following ratios and further information given below prepare Income Statement and Balance Sheet of XY Ltd.

Gross Profit ratio	25%
Net Profit/Revenue from operations	20%
Inventory turnover ratio	10 times
Net profit/Capital	1/5
Capital to Total Liabilities	1/2
Fixed Assets/Capital	5/4
Fixed Assets/Total current assets	5/7
Fixed Assets	Rs.1000000
Closing inventory	Rs.100000
Cash at Bank	Rs.100000
Long term borrowings	Rs.300000

27. What is cash flow analysis? Explain its importance to the management and also state its limitations.
28. From the following information show the results of operations of a manufacturing concern using trend percentages with 2012 as base year.

<b>Particulars</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Sales	1300	1200	950	1000
Cost of goods sold	728	696	589	600
Gross profit	572	504	361	400
Total selling expenses	120	110	97	100
Net operating profit	452	394	264	300