

TB176245W

Reg. No :

Name :

B. Com. DEGREE (C.B.C.S.S) EXAMINATION, MARCH 2023
(2015, 2016 and 2017 Admissions Supplementary)
SEMESTER VI - CORE COURSE (COMMERCE) (B. Com Finance & Taxation and Capital Market)
CO6B24B - ACCOUNTING FOR MANAGERIAL DECISIONS

Time : 3 Hours

Maximum Marks : 80

Part A

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

1. What is statement of retained earnings?
2. State any two objectives of common size statements.
3. What are income statement ratios?
4. What are leverage ratios?
5. What do you mean by schedule of changes in working capital?
6. What is cash from operations?

Part B

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

7. State any 2 limitations of financial statement analysis.
8. What are the objectives of financial analysis?
9. Explain profitability ratios with example.
10. Current Ratio is 2.5:1 Current Liability is Rs.35000. Calculate the value of Current Assets and Working Capital.
11. Mention any four application of funds.
12. What is operating ratio?
13. How will you treat the following while calculating operating net profit? (a) Loss on sale of machine (b) Depreciation
14. What are the three main categories of cash flow statement?
15. What do you mean by investment centre?
16. What is expense centre?

Part C

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

17. Explain the various types of financial analysis.
18. Calculate the trend percentages from the following figures of X Ltd taking 2012 as the base:

Year	Sales	Stock	Profit before tax
2012	1881	709	321
2013	2340	781	435
2014	2655	816	458
2015	3021	944	527

19. What are the different types of ratios?
20. 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

21. Explain the treatment of Provision for tax and Proposed dividend in fund flow analysis.

22. The following are the extracts of current assets and current liabilities taken from the Comparative Balance Sheets of Z Ltd. You are required to prepare a statement showing changes in working capital :

	31-3-2011	31-3-2012
Stock in trade	250000	220000
Sundry Debtors	130000	175000
Bills Receivables	25000	35000
Prepaid expenses	10000	5000
Marketable securities	40000	30000
Cash and Bank	60000	25000
Sundry creditors	175000	205000
Bills payable	20000	15000
Outstanding expenses	10000	15000

23. Calculate cash flow from financing activities from the following details:

Interest paid on debentures Rs.10,000

Particulars	31.3.2018	31.3.2017
Equity share capital	5,00,000	4,00,000
10% Debentures	1,00,000	1,50,000
Securities premium reserve	50,000	40,000
Bank overdraft	2,00,000	1,50,000
Interest on Bank overdraft	15,000	10,000

24. What are the advantages of responsibility accounting?

IV. Answer any Two questions. Each question carries 15 marks

(2x15=30)

25. From the following Balance Sheet extracts compute trend percentages and comment on the liquidity position of X Ltd.

You may take 2011 as base year:

Particulars	2011	2012	2013	2014	2015	2016
Stock	150000	170000	190000	230000	220000	200000
Debtors	140000	120000	80000	90000	100000	100000
Cash	60000	50000	50000	60000	90000	100000
Current liabilities	300000	320000	300000	280000	240000	200000

26. With the help of the following ratios regarding Indu Films draw the Balance Sheet of the company for the year 2016

Current Ratio 2.5

Liquidity Ratio 1.5

Net Working Capital Rs.300000

Inventory Turnover Ratio

(cost of revenue from operations/closing inventory) 6 times

Gross Profit ratio 20%

Fixed assets turnover ratio (on cost of revenue for operations) 2 times

Average collection period 2 months

Fixed Asset to Shareholders Net Worth 0.80

Reserve and Surplus to Capital 0.50

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

Balance Sheet					
Liabilities	31-3-2011	31-3-2012	Assets	31-3-2011	31-3-2012
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:

1. Depreciation was provided during 2011-12

Land and buildings Rs.23000

Plant and machinery Rs.42000

Furniture Rs.6000

2. An old machine having a book value of Rs.40000 was sold for Rs.32000 during the year 2011-12

3. 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

28. From the following Balance Sheets of Essex Ltd., prepare a cash flow statement

Balance Sheet

Particulars	Note No.	2016 Amount	2017 Amount
I. Equities and Liabilities			
(1) Shareholders Funds			
Share Capital	1	450000	500000
Reserves & Surplus	2	70000	118000
(2) Share Application Money Pending Allotment			
(3) Non-Current Liabilities			
(4) Current Liabilities			
Trade payable		75000	99000
Short term provisions	3	82000	100000
TOTAL		<u>677000</u>	<u>817000</u>
II. Assets			
(1) Non-Current Assets			
Fixed assets:			
Tangible Assets	4	280000	370000
Intangible assets (goodwill)		115000	90000
(2) Current Assets			
Inventories		77000	109000
Trade receivables		180000	230000
Cash and cash equivalents	5	25000	18000
TOTAL		<u>677000</u>	<u>817000</u>

Notes to Accounts

Particulars	2016	2017
1. Share Capital		
8% redeemable preference share capital	150000	100000
Equity share capital	<u>300000</u>	<u>400000</u>
TOTAL	450000	500000
2. Reserves & Surplus		
General reserves	40000	70000
Profit and Loss account	<u>30000</u>	<u>48000</u>
TOTAL	70000	118000
3. Short term provisions		
Proposed dividend	42000	50000
Provision for tax	<u>40000</u>	<u>50000</u>
TOTAL	82000	100000
4. Tangible assets		
Land and buildings	200000	170000
Plant	<u>80000</u>	<u>200000</u>
TOTAL	280000	370000
5. Cash and cash equivalents		
Cash in hand	15000	10000

Cash at bank	<u>10000</u>	<u>8000</u>
TOTAL	25000	18000

Additional information:

1. Depreciation of Rs.10000 and Rs.20000 has been charged on machinery and land and buildings respectively in the year ended 31.3.2017
2. An interim dividend of Rs.20000 has been paid in October 2016
3. Rs.35000 income tax was paid during the year 2016-17