

TB146230A

Reg. No.....

Name.....

B. COM. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2017

SEMESTER VI - COMMERCE

COM6AMD - ACCOUNTING FOR MANAGERIAL DECISIONS

Time: Three Hours

Maximum Marks: 80

PART A

I. Answer all questions. Each question carries 1 mark.

1. What are financial statements?
2. Explain horizontal analysis.
3. Distinguish between analysis and interpretation.
4. What do you mean by average analysis?
5. List the tools of financial statement analysis.
6. What is capital gearing ratio?
7. What do you mean by EPS?
8. Explain MBE?
9. What do you mean by cash equivalents?
10. What do you mean by financing activities?

(10x1=10)

PART B

II. Answer any eight questions. Each question carries 2 marks.

11. Distinguish between cost Centre and investment Centre.
12. Explain two solvency ratios.
13. When does fund flow occur?
14. Who are the users of financial statements?
15. What is comparative statements?
16. Mention any four examples of cash flow from investing activities.
17. Explain ROI.
18. What do you mean by debt equity ratio?
19. Is depreciation a source of fund?
20. Bring out four limitations of financial statements.
21. How will you calculate cash from operation?
22. What do you mean by ratio analysis?

(8x2=16)

PART C

III. Answer any six questions. Each question carries 4 marks.

23. What is the basic difference between fund flow and cash flow analysis?
24. Mention the characteristics of ideal financial statements.
25. What are the steps involved in responsibility accounting?

26. What is trend percentage? Explain the techniques of its preparation.
 27. Show the following in a common size statement.

Sales	27,00,000
Cost of sales	10,00,000
Gross Profit	17,00,000
Operating Expenses	8,00,000
Non-operating Expenses	50,000
Non-operating income	40,000
Net profit	8,90,000

28. From the following details, calculate Fixed Assets Turnover Ratio and Working Capital Turnover Ratio.

Sales-Rs.6,00,000,Fixed Assets-Rs.2,00,000,Current Assets-Rs.3,00,000,Current Liabilities-Rs.2,00,000

29. Calculate Funds From Operation.

Profit And Loss Account

To Operating expenses	100,000	By Gross profit	2,00,000
To Depreciations	40,000	By Profit on sale of fixed assets	20,000
To Loss on sale of fixed assets	10,000		
To Advertisement suspense a/c	5,000		
To Discount allowed	5,00		
To Preliminary expense written off	5,00		
To Goodwill written off	12,000		
To Net Profit	52,000		
	2,20,000		2,20,000

30. From the following details ,find out (a)Current Assets (B)Current Liabilities (C)Liquid Assets and (D) Stock.

Current Ratio -2.5, Liquid Ratio -1.5, Working Capital -60,000

31. From the following information calculate the cash flow from Investing Activities

Particulars	Opening	Closing
Machinery (At Cost)	4,00,000	4,20,000
Accumulated Depreciation	1,00,000	1,10,000
Patents	2,80,000	1,60,000

Additional Information:-

- I. During the year machine costing Rs.40,000 with accumulated depreciation Rs.24,000 was sold for Rs.20,000
- II. Patents were written off to the extent of Rs.40,000 and some patents were sold at a profit of Rs.20,000

(6x4=24)

PART D

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

32. What is responsibility accounting? What are its essential features? Explain its merits and demerits.
33. From the following balance sheet of AB Ltd .for the year ending 31.12.2013 and 31.12.2014,prepare a Cash Flow Statement :

Liabilities	2013 Rs.	2014 Rs.	Assets	2013 Rs.	2014 Rs.
Equity share capital	2,15,000	2,75,000	Goodwill	-	20,000
Reserves	40,000	40,000	Plant & Machinery	1,12,950	1,16,200
P/L A/c	39,690	41,220	Land & Building	1,48,500	1,44,250
Provision for tax	40,000	50,000	Current assets	1,98,530	1,70,730
Bank loan	59,510	-	Cash	7,500	7,700
Current liabilities	73,280	52,660			
	4,67,480	4,58,880		4,67,480	4,58,880

The following information is also provided:

- 1) A dividend of Rs.26, 000 was paid during the year 2014
- 2) Profit before tax for the year was Rs.62,530
- 3) During the year 2014,the company paid tax of Rs.25,000
- 4) During the year, the company purchased another company and paid Rs.60, 000 in share capital. It acquired stock Rs.21,640 and plant Rs.18,360
- 5) It purchased machinery costing Rs.5,650 during the year

34. From the following information ,prepare a summarized balance sheet as on 31st march 2016

A) Working Capital	Rs. 1,20,000
B) Reserves & Surplus	Rs. 80,000
C) Bank Overdraft	Rs. 20,000
D) Proprietary Ratio	0.75 (Fixed Assets: ShareholdersFund)
E) Current Ratio	2.5
F) Liquid Ratio	1.5

35. The balance sheet of Moon Ltd for the year ended 31st December 2015 and 2016 are as follows

Liabilities	2015 Rs	2016 Rs	Assets	2015 Rs.	2016 Rs.
Share Capital	80,000	1,20,000	Freehold Premises	55,400	1,13,200
Security Premium	8,000	12,000	Plant & Machinery	35,600	51,300
General Reserve	6,000	9,000	Furniture & Fixtures	2,400	1,500
Profit & Loss Account	19,500	20,800	Stock	22,100	26,000
5% Debentures	-	26,000	Debtors	36,500	39,100
Income Tax Provision	9,800	10,900	Bank	4,800	4,000
Creditors	33,500	36,400			
	1,56,800	2,35,100		1,56,800	2,35,100

Depreciation written off during the year 2016 was as under:

Plant & machinery –Rs.12, 800

Furniture & fixtures –Rs.400

Prepare a statement of sources and use of funds

(2x15=30)