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**D.K.M.COLLEGE FOR WOMEN (AUTONOMOUS), VELLORE-1**

**SEMESTER EXAMINATIONS**

**NOVEMBER – 2018 15CACO3C**

**ALLIED : ACCOUNTING AND FINANCE FOR MANAGERS**

Time : 3 Hrs Max.Marks : 75

SECTION-A (10 x 2 =20)

**Answer ALL the questions.**

1. Define Management Accounting.
2. What is Cost Accounting?
3. What are the various types of financial Statement?
4. Calculate the stock turnover ratio from the following:

Cost of goods sold Rs. 65,000

Sales Rs. 1,00,000

Average stock Rs. 15,000

1. What do you mean by Break Even Point?
2. State the formula for calculation of Margin of Safety.
3. Define Budgetary Control.
4. Write short notes on Cash Budget.
5. Explain the concept of financial management?
6. Give some examples for long-term finance.

SECTION-B (5 x 5 =25)

**Answer any FIVE of the following questions.**

1. Explain about the scope of management accounting.
2. From the following information prepare a trial balance for the year ending 31.3.2017.

Cash 28,650

Capital 50,000

Bank 13,500

Furniture 3,000

Creditors 2,800

Debtors 2,000

Sales 7,000

Purchase 10,100

Wages 200

Drawings 1,250

Stationery 100

Salary 1,000

1. Following is the Profit & Loss A/c of S Ltd. for the year ended 31.12.2014 and 31.12.2015. You are required to prepare a common size income statement.

Profit & Loss Account (Rs. in Lakhs)

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Particulars | 2014 | 2015 | Particulars | 2014 | 2015 |
| To Cost of goods sold  To Operating expenses:  Administrative  Selling  To Net profit | 300  10  15  75  400 | 375  10  20  95  500 | By Net sales | 400  400 | 500  500 |

1. Calculate “Cash from Operation” from the following.

**2003 2004**

Profit & Loss A/c 10,000 20,000

Bills Receivable 18,000 22,000

Outstanding rent 1,600 4,000

Prepaid insurance 2,000 1,800

Stock 12,000 16,000

Bills Payable 40,000 42,000

1. Raj Ltd. presents the following results for one year, calculate the PV ratio and Break Even Point.

Sales 2,00,000

Variable Cost 1,20,000

Fixed Cost 50,000

Net profit 30,000

1. You are required to prepare a production budget for the half year ending June 2011 from the following information.

Product Budgeted sales Actual Stock(31.12.2010) Desire Stock on 30.6.2011

(Units) (Units) (Units)

A 4,000 800 1,000

B 10,000 1,200 2,000

1. From the following data calculate a)PV Ratio b). Profit

Sales Rs. 20,000

Fixed expenses Rs. 4,000

Break-even point Rs. 10,000

1. Explain about the objectives of Financial Management.

SECTION-C (3 x 10 =30)

**Answer ALL the questions.**

1. (a) From the following Trial balance of Thiru. Arul as on 31st March 2015, Prepare Trading, Profit

and Loss A/c and Balance sheet taking into account the adjustment.

|  |  |  |  |
| --- | --- | --- | --- |
| Debit Balance | Rs. | Credit Balance | Rs. |
| Land & Building  Machinery  Patents  Stock(Opening)  Sundry debtors  Purchases  Cash in hand  Cash at bank  Return inwards  Wages  Fuel & Power  Carriage on sales  Carriage on purchase  Salaries  General expenses  Insurance  Drawings | 42,000  20,000  7,500  5,760  14,500  40,675  540  2,630  680  8,480  4,730  3,200  2,040  15,000  3,000  600  5,245  \_\_\_\_\_\_\_\_\_  1,76,580 | Capital  Sales  Return outwards  Creditors  Bills payable | 62,000  98,780  500  6,300  9,000  1,76,580 |

Adjustments:

1. Stock as on 31.03.2015 was Rs. 6800
2. Salary outstanding Rs. 1500
3. Insurance prepaid Rs. 150
4. Depreciate machine @ 10% and Patents @ 20%
5. Create a provision of 2% on debtors for bad debts.

(Or)

(b) Explain about the short-term sources of Finance.

1. (a) A manufacturing company has drawn up the following profit & loss a/c for the year ended 31st

March 2015:

|  |  |  |  |
| --- | --- | --- | --- |
| Particulars | Rs. | Particulars | Rs. |
| To Opening Stock  To Purchase  To Wages  To Manufacturing expenses  To Gross Profit C/d  To Selling & Distribution expenses  To Administration expenses  To Non-operating expenses  To Net profit | 10,000  35,000  400  500  20,100  66,000  8,900  2,000  3,000  8,000  21,900 | By Sales  By Closing Stock  By Gross Profit b/d  By Interest on investment  (Outside business)  By Profit on sale of investment | 56,000  10,000  66,000  20,100  1,000  800  21,900 |

Calculate

1. Gross Profit ratio
2. Net Profit ratio
3. Operating ratio
4. Operating profit ratio
5. Administration expenses ratio

(Or)

(b) From the following two balance sheet as at December 31, 2012 and 2013, you are required

to prepare Fund Flow Statements.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities | 2012 | 2013 | Assets | 2012 | 2013 |
| Share capital  General Reserve  P&L A/c  Bank loan  Creditors  Provision for taxation | 1,00,000  25,000  15,250  35,000  75,000  15,000  2,65,250 | 1,25,000  30,000  15,300  -  67,500  17,500  2,55,300 | Land & Building  Plant & Machinery  Stock  Debtors  Cash  Bank  Goodwill | 1,00,000  75,000  50,000  40,000  250  -  -  2,65,250 | 95,000  84,500  37,500  32,000  300  4,000  2,000  2,55,300 |

Adjustments:

1. Dividend of Rs. 11,000 was paid during 2013.
2. Depreciation on plant written off in the year 2013 was Rs. 7,000
3. A provision for income tax Rs. 16,500 was made during the year.
4. (a) For production of 10,000 Electrical Automatic Irons the following are budgeted expenses;

Per Unit (Rs.)

Direct Materials 60

Direct Labour 30

Variable overheads 25

Fixed overheads(Rs. 1,50,000) 15

Variable expenses (direct) 5

Selling expenses (10% fixed) 15

Administration expenses 5

(Rs. 50,000 fixed for all level of production)

Distribution expenses (20% fixed) 5

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Total Cost of sale per unit 160

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Prepare a flexible budget for production of 7,000 , 8,000 irons.

(Or)

(b) From the following information relating to P Ltd., you are required to findout

* 1. PV ratio
  2. Break Even Point
  3. Profit
  4. Margin of safety
  5. Volume of sales to earn profit of Rs. 6,000/-

Total Fixed cost Rs. 4,500

Total Variable cost Rs. 7,500

Total Sales Rs. 15,000

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