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

**SEMESTER EXAMINATIONS**

 **NOVEMBER - 2016 15CACO3C**

 **ALLIED : ACCOUNTING AND FINANCE FOR MANAGERS**

**Time : 3 Hours Max. Marks : 75**

**Section – A (10 x 2 = 20)**

**Answer ALL the questions.**

1. What is meant by management accounting?
2. Write any two scopes of financial accounting.
3. What is financial statement?
4. What do you understand by Ratio analysis?
5. What is meant by Break - even point?
6. Define Marginal Costing.
7. What is meant by budgetary control?
8. What is meant by production budget?
9. Define financial management.
10. Give four examples of short term finance.

**Section – B ( 5 x 5 = 25 )**

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

1. Briefly explain the goals of Financial Management.
2. Explain the scope of Management Accounting.
3. Prepare a trading account of Ms. Selvi for the year ending 31st March 2014 from the following

 figures:

 Rs.

|  |  |
| --- | --- |
| Purchase  | 1,50,000 |
| Sales | 2,50,000 |
| Opening Stock |  60,000 |
| Closing Stock |  90,000 |
| Purchases return |  2,600 |
| Sales return |  5,400 |
| Carriage inwards |  400 |
| Wages |  7,000 |

1. From the following information, you are required to compute cash from operation.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities  | 2010 | 2011 | Assets | 2010 | 2011 |
| Share | 1,00,000 | 1,50,000 | Fixed  |  |  |
| Capital |  80,000 | 1,20,000 | assets | 1,00,000 | 1,50,000 |
| P & L A/c |  50,000 |  60,000 | Goodwill  |  50,000 |  40,000 |
| Debenture  |  30,000 |  40,000 | Stock |  30,000 |  70,000 |
| Creditors |  10,000 |  15,000 | Debtors |  50,000 |  90,000 |
|  |  |  | Bills receivable |  30,000 |  20,000 |
|  |  |  | Bank |  10,000 |  15,000 |
|  |  2,70,000 | 3,85,000 |  |  2,70,000 | 3,85,000 |

1. Find out P/V ratio

 Sales 2,00,000

 Variable Cost 1,20,000

 Fixed Cost 40,000.

1. You are required to prepare a production budget for the half year ending June 2000 from the following information.

|  |  |  |  |
| --- | --- | --- | --- |
| Product | Budgeted Sales(Units) | Actual Stock on 31.12.99 (Units) | Descried Stock on 30.06.2000 (Units) |
| AB | 20,00050,000 | 4,0006,000 |  5,00010,000 |

1. Calculate funds from operation.

 Net profit for the year ended Rs.6,50,000.

 Profit on sale of building Rs.40,000.

 Goodwill written off during the year Rs.10,000

 Old Machinery worth Rs.8,000 has been sold for Rs.6,500.

 Depreciation has been provided on plant at 20% pa, the value of plant is Rs.5,00,000.

1. What are the merits of Marginal costing?

**Section – C ( 3 x 10 = 30 )**

**Answer ALL the questions.**

1. (a) From the following trial balance of K. V. agency, prepare final accounts for the year 2000.

|  |  |  |
| --- | --- | --- |
|  | Debit (Rs.) | Credit (Rs.) |
| Capital | - | 1,00,000 |
| Drawings |  18,000 | - |
| Buildings |  15,000 | - |
| Furniture |  7,500 | - |
| Motor Van |  25,000 | - |
| Loan from Hari | - |  15,000 |
| Interest paid |  900 | - |
| Sales | - | 1,00,000 |
| Purchase |  75,000 | - |
| Opening Stock |  25,000 | - |
| General Expenses |  15,000 | - |
| Wages |  2,000 | - |
| Insurance |  1,000 | - |
| Commission Received | - |  7,500 |
| Debtors |  28,100 | - |
| Bank |  20,000 | - |
| Creditors | - |  10,000 |
|  | 2,32,500 |  2,32,500 |

 Adjustments

1. Closing Stock Rs.32,000.
2. Outstanding wages Rs.1,000
3. Prepaid insurance Rs.250
4. Depreciate motor van 5%, furniture 10%.

 (Or)

 (b) From the following balance sheet as on 31st Dec 2012 and 2013 you are required to

 prepare,

 1) Schedule of changes in working capital. 2) Fund Flow Statement.

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| Liabilities  | 2012 | 2013 | Assets | 2012 | 2013 |
| Capital  | 8,000 |  8,500 | Land |  5,000 | 5,000 |
| P & L a/c | 1,450 |  2,450 | Plant |  2,400 | 3,400 |
| Creditors |  900 |  500 | Debtors |  1,650 | 1,950 |
| Mortgage | - |  500 | Stock |  900 |  700 |
| Loan |  |  | Cash |  400 |  900 |
|  |  10,350 | 11,950 |  | 10,350 |  11,950 |

 Adjustments:-

1. Depreciation on plant for the year amounted to Rs.400
2. Tax paid during the year was Rs.600.
3. (a) You are given the following information.

 Rs.

 Cash 18,000

 Debtors 1,42,000

 Closing Stock 1,80,000

 Bills Payable 27,000

 Creditors 50,000

 Outstanding Expenses 15,000

 Tax Payable 75,000

 Calculate a) Current Ratio b) Liquidity Ratio c) Absolute Liquidity Radio.

(Or)

 (b) You are required to calculate

1. P/V ratio
2. Margin of Safety
3. Sales
4. Variable cost from the following figures

Fixed Cost Rs.12,000, Profit Rs.1,000, Break Even Sales Rs.60,000.

1. (a) Draw up a flexible budget for Overhead expenses on the basis of the following data and

 determine the Overhead rates at 70%, 80% and 90% respectively.

|  |  |
| --- | --- |
| Present Level of Operation | 80% |
| Variable Overheads: |  |
| Indirect labour | 12,000 |
| Stores including material |  4,000 |
| Semi - Variable Overheads: |  |
| Power (30% fixed, 70% variable) | 20,000 |
| Repairs and maintenance (60% fixed and 40% variable) |  2,000 |
| Fixed Overheads: |  |
| Depreciation | 11,000 |
| Insurance  |  3,000 |
| Salaries | 10,000 |
| Total Overheads | 62,000 |

 Estimated labour hours 1,24,000 hours.

(Or)

 (b) Distinguish between financial accounting, cost accounting and management accounting.

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