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(FOR THE CANDIDATES ADMITTED DURING THE ACADEMIC YEAR 2022 ONLY)

22PCC414

REG.NO. :

N.G.M.COLLEGE (AUTONOMOUS) : POLLACHI

END-OF-SEMESTER EXAMINATIONS : MAY- 2024

COURSE NAME: M.Com.- C.A **MAXIMUM MARKS: 50**

SEMESTER : IV **TIME : 3 HOURS**

ACCOUNTANCY FOR DECISION MAKING

SECTION - A (10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

MULTIPLE CHOICE QUESTIONS. K1

1. The purpose of management accounting is to___________________.
   a) Help banks make decisions b) Past orientation
   c) Help investors make decision d) Help managers make decisions
2. Which of the following is not a part of liquidity ratios?
   a) Current ratio b) Solvency ratio c) Liquid ratio d) Quick ratio
3. Funds flow statement is based on the concept of ____________.
   a) Going concern b) Business entity
   c) Accounting period d) Money Measurement Concept
4. Which of the terms given below will help an organisation in decision-making?
   a) Total cost b) Fixed cost c) Opportunity cost d) Marginal cost
5. Budget is prepared for a ___________.
   a) Indefinite period b) Definite period c) Period of one year d) Six months

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. K2

6. What do you mean by Analysis and Interpretation of Financial Statements?
7. State the meaning of ratio analysis.
8. Define Fund flow analysis.
9. What is Marginal Costing?
10. Define the budgetary control.

SECTION – B (5 X 3 = 15 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS. K3

11. a) Examine the objectives of management accounting.

(OR)

b) Briefly explain the Purpose of Financial Statement Analysis.

12. a) Calculate gross profit ratio:

Sales	Rs. 2,20,000
Sales return	Rs. 20,000
Opening stock	Rs. 30,000
Purchases	Rs. 1,75,000
Purchases return	Rs. 15,000
Closing stock	Rs. 40,000

(OR)

b) Find out operating profit ratio:

Cost of goods sold	Rs. 1,80,000
Other Operating expenses	Rs.30,000
Net sales	Rs. 3,00,000

(CONTD……….2)

13. a) From the following P & L a/c calculate Fund from operations.

Particulars	Rs.	Particulars	Rs.
To rent	35,000	By Gross profit	9,86,000
To Depreciation	3,000		
To Share discount	10,000		
To Goodwill	5,000		
To Preliminary expenses	6,000		
To Net profit	9,27,000		
	9,86,000		9,86,000

(OR)

b) From the following information, calculate cash from financing activities.

Equity share capital on 1.4.2015
Equity share capital on 31.3.2016
14% debenture on 31.3.2015
14% debenture on 31.3.2016
Preference share capital on 31.3.2016.

14. a) From the following particulars calculate the P/V ratio

Marginal cost Rs. 2,400
Sales Rs. 3,000

(OR)

b) Calculate Break-Even Point from the following data:

Fixed expenses	Rs. 4,00,000
Variable expenses	Rs. 10
Selling price	Rs. 20

15. a) From the following budgeted figures prepare a Cash Budget in respect of four months from January to April.

Month	Expected Sales (Rs.)	Expected Purchase (Rs.)
January	60,000	48,000
February	40,000	45,000
March	45,000	31,000
April	40,000	40,000

Wages to be paid to workers will be Rs. 5,000 pm. Cash balance on 1st January may be assumed to be Rs. 8,000.

(OR)

b) List out the advantages of Zero-base Budgeting.

SECTION - C (5 X 5 = 25 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

16. a) Discuss the advantages and limitation of Management Accounting.

(OR)

b) From the income statement give below you are required to prepare common– sized income statement.

Particulars	2021 (Rs.)	2022 (Rs.)
Sales	1,40,000	1,65,000
Less : Cost of Goods Sold	85,000	1,05,000
Gross Profit	55,000	60,000
Operating Expenses Selling and Distribution Expenses Administrative Expenses	 12,000 10,000	 16,000 11,000
Total Operating Expenses	22,000	27,000
Net Income before Tax	33,000	33,000
Income Tax (40%)	13,000	13,200
Net Income	19,800	19,800

17. a) From the following information prepare a balance sheet.

Working capital	Rs. 75,000
Reserve and Surplus	Rs. 1,00,000
Bank Overdraft	Rs. 60,000
Current ratio	1.75
Liquid ratio	1.15
Fixed assets to proprietor's fund	0.75
Long term liabilities	Nil

(OR)

b) The Balance Sheet of Punjab Auto Limited as on 31-12-2023 was as follows:

Particular	Rs.	Particular	Rs.
Equity Share Capital	40,000	Plant and Machinery	24,000
Capital Reserve	8,000	Land and Buildings	40,000
8% Loan on Mortgage	32,000	Furniture & Fixtures	16,000
Creditors	16,000	Stock	12,000
Bank overdraft	4,000	Debtors	12,000
Taxation:		Investments (Short-term)	4,000
Current	4,000	Cash in hand	12,000
Future	4,000		
Profit and Loss A/c	12,000		
	1,20,000		1,20,000

From the above, compute (a) the Current Ratio, (b) Quick Ratio, (c) Debt-Equity Ratio, and (d) Proprietary Ratio.

18. a) From the following details prepare a statement showing changes in working capital:

Balance sheet of Surya as on 31st December

Liabilities	***2022***	***2023***	***Assets***	***2022***	***2023***
Share capital	5,00,000	6,00,000	Fixed assets	10,00,000	11,20,000
Reserves	1,50,000	1,80,000	*Less:* Depreciation	3,70,000	4,60,000
Profit and Loss A/c	40,000	65,000		6,30,000	6,60,000
Debentures	3,00,000	2,50,000	Stock	2,40,000	3,70,000
Creditors for goods	1,70,000	1,60,000	Book Debts	2,50,000	2,30,000
Provision for tax	60,000	80,000	Cash in hand	80,000	65,000
			Preliminary expenses	20,000	15,000
	12,20,000	13,35,000		12,20,000	13,35,000

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(OR)

b) From the summary of cash account of the firm, prepare the Cash Flow Statement for the year ended 31st March, 2013 by using Direct Method.

SUMMARY OF CASH ACCOUNT

For the year ended 31st March, 2013

Receipts	Amount (Rs.)	Payments	Amount (Rs.)
Cash balance as on 1.04.12	10,000	Cash purchases during the year	2,00,000
Issue of equity shares	15,000	Factory expenses incurred	25,000
Issue of preference shares	15,000	Wages & salary paid	15,000
Cash sales for the period	2,30,000	Income tax paid	5,000
Sale of fixed assets	60,000	Dividend paid	15,000
		Repayment of loan	40,000
		Balance on 31.03.13	30,000
Total	3,30,000	Total	3,30,000

19. a) JK Ltd. made sales during a certain period for Rs. 1,00,000. The net profit for the same period was Rs. 10,000 and the fixed overheads were Rs. 15,000.
Find out: (i) P/V Ratio. (ii) Required sales to earn a profit of Rs. 15,000. (iii) Net Profit from sales of Rs. 1,50,000. (iv) Break – even point sales.

(OR)

b) Explain the Angle of Incidence in marginal costing.

20.a) Prepare a Flexible Budget for the production at 80% and 100% activity on the basis of following information:

Production at 50% capacity	5,000 units
Raw Material	Rs. 80 per unit
Direct labour	Rs. 50 per unit
Direct Expenses	Rs.15 per unit
Factory Overhead	Rs. 50,000 (50% fixed)
Administration Overhead	Rs. 60,000(60% variable)

(OR)

b) Discuss the advantages and limitations of budgetary control.

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