

Faculty of Commerce

B.Com. II-Year, CBCS - VI Semester Regular Examinations –June/July, 2022

(For All Streams of B. Com)

PAPER-E1: Cost Control and Management Accounting

Time: 3 Hours

Max Marks: 80

Section-A

I. Answer any five of the following (5x4=20 Marks)

1. Features of Management Accounting
2. Objectives of Budgetary Control
3. Advantages of Financial statement Analysis
4. Funds from business operations
5. Advantages of Cash Flow statement.
6. Find the margin safety from the following particulars i) Sales Rs.2,00,000
ii) total cost Rs.75,000 iii) fixed cost Rs.25,000 iv) P/V ratio 25%
7. Calculate Material variances From the Following data. Material A Required standard units 10, standard price Rs.2, Actual units 9, actual price Rs.2.5
8. Zero based budgeting.

Section-B

II. Answer the following questions (5x12=60 Marks)

9. (a) Distinguish between Financial accounting and Management accounting.

(OR)

(b) From the following information:

Particulars	Year 2018	Year 2019
Sales	Rs.8,00,000	Rs.8,80,000
Profit	Rs.1,00,000	Rs.1,20,000

Find out i) P/V ratio ii) Fixed cost iii) Break even sales iv) Profit when sales are Rs.10,00,000 v) Sales required to earn profit of Rs.2,00,000

10. (a) The expenses budgeted for a production of 10,000 units in a factory are furnished below

Particulars	Per unit (Rs.)
Materials	140
Labour	50
Variable factory overheads	40
Fixed factory overheads (Rs.2,00,000)	20
Variable expenses (direct)	10
Selling expenses (10% fixed)	26
Distribution expenses (20% fixed)	14
Administration expenses (fixed Rs.1,00,000)	10
Total cost of sales per unit	310

You are required to prepare budget for production of 8,000 units and 6,000 units

(OR)

- (b) Define Standard Costing? Explain advantages and disadvantages of standard costing?

11.(a) Following are the two balance sheets of X Ltd and Y Ltd as on 31-03-2017.

Particulars	X Ltd Rs.	Y Ltd Rs
Assets:		
Cash	8,00,000	9,00,000
Sundry debtors	2,00,000	2,50,000
Stock	2,50,000	3,00,000
Prepaid expenses	1,00,000	1,25,000
Other current assets	50,000	75,000
Fixed assets (net)	6,00,000	4,00,000
Total assets	20,00,000	20,50,000
Liabilities and Capital		
Sundry creditors	3,75,000	5,25,000
Other current liabilities	4,00,000	5,05,000
Fixed liabilities	5,75,000	6,20,000
capital	6,50,000	4,00,000
Total liabilities	20,00,000	20,50,000

From the above data, prepare a common size balance sheet and make comment

(OR)

(b) Write the Advantages and limitations of Ratio Analysis?

12. (a) Write the Funds Flow statement analysis Uses and limitations?

(OR)

(b) From the information given below, prepare fund flow statement of global co.

Liabilities	2011	2012	Assets	2011	2012
Equity shares	4,50,000	6,00,000	Goodwill	1,90,000	1,40,000
Pref.shares	2,25,000	1,60,000	Plant	1,60,000	2,50,000
Profit& loss a/c	60,000	75,000	Building	2,40,000	1,95,000
Proposed dividend	55,000	67,000	Inventory	92,000	1,25,000
Trade creditors	72,000	90,000	Debtors	1,75,000	1,25,000
Bill payable	32,000	25,000	Bills receivables	45,000	57,000
Provision for taxation	60,000	72,000	Cash	52,000	77,000
	9,54,000	10,79,000		9,54,000	10,79,000

Additional Information

- 1.An interim dividend of Rs.35,000 has been paid in 2012 year
- 2.Payment of income tax Rs.52,000 was paid during in 2012 year
- 3.A part of plant worth Rs.20,000 was sold for Rs.30,000

13.(a) Write the difference between fund flow analysis and cash flow analysis.

(OR)

(b) From the information given below, prepare Cash flow statement

Liabilities	31.03.2011	31.03.2012	Assets	31.03.2011	31.03.2012
Share capital	3,50,000	3,90,000	Land	1,00,000	1,70,000
8% debentures	60,000	30,000	Stock	2,46,000	2,13,500
Profit Loss a/c	50,400	52,800	Goodwill	50,000	25,000
Creditors	51,600	59,200	Debtors	71,000	84,000
			Cash in hand	45,000	39,000
	5,12,000	5,32,000		5,12,000	5,32,000

Additional Information

1. An interim dividend of Rs.20,000 has been declared and paid in 2012 year
2. A part of Land worth Rs.50,000 was sold for Rs.1,00,000

Faculty of Commerce

B.Com. II-Year, CBCS - VI Semester Backlog Examinations –Jan, 2023

(For All Streams of B. Com)

PAPER: Cost Control and Management Accounting

Time: 3 Hours

Max Marks: 80

Section-A

I. Answer any five of the following questions (5x4=20 Marks)

1. Define Break Even Point
2. What is Zero base budgeting
3. What is Stock turnover Ratio
4. What is Funds Flow statement
5. Define Advantages of cash flow statement
6. Calculate P/V ratio and BEP when total sales are Rs.25,000, total cost Rs.20,000, Fixed cost is Rs.10,000
7. Write Advantages of Standard costing
8. Determine closing stock and opening stock values when Stock Turnover Ratio is 6, cost of goods sold 3,00,000, closing stock is Rs.10,000 more than the opening stock.

Section-B

II. Answer the following questions (5x12=60 Marks)

9. (a) Discuss the Importance and Limitations of Management accounting.

(OR)

- (b) The following particulars relates to two periods

Period	Sales	profit
I	Rs.2,00,000	Rs.20,000
II	Rs.3,00,000	Rs.40,000

Calculate:

1. P/V ratio
 2. BEP
 3. Margin of safety when profit is Rs.25,000
 4. Net profit when sales are Rs.5,00,000,
 5. Required total sales to earn a profit of Rs.50,000.
10. (a) What is budgetary control? State its objectives and advantages?
(OR)
- (b) The expenses budgeted for a production of 1,000 units in a factory are furnished below. You required to prepare a budget for production of 700 and 900 units

Particulars	Per unit cost (Rs.)
Materials	100
Wages	40
Variable factory expenses	20
Fixed factory expenses (Rs.20,000)	20
Variable expenses(direct)	30
Selling expenses (10% fixed)	20
Distribution expenses (20% fixed)	10
Office expenses (Rs.10,000 fixed)	10
Total cost per unit	250

11. (a) What is Ratio Analysis? Explain its Advantages and limitations?

(OR)

- (b) Following are the two balance sheets of A ltd and B ltd as on 31/03/2018 and 31/03/2019. Prepare common size balance sheet and comment on it?

Liabilities	A limited	B limited	Assets	A limited	B limited
Sundry creditors	37,500	52,500	Cash	80,000	90,000
Current liabilities	40,000	50,500	Sundry debtors	20,000	25,000
Bank loan	57,500	62,000	Stock	25,000	30,000
Reserves & surplus	50,000	60,000	Cash at bank	10,000	8,000
Capital	65,000	90,000	Bills receivables	20,000	22,000
10% debentures	80,000	65,000	Buildings	1,00,000	1,20,000
			Machinery	75,000	85,000
TOTAL	3,30,000	3,80,000	TOTAL	3,30,000	3,80,000

12. (a) What are the sources and applications of Funds Flow analysis?

(OR)

(b) Prepare Funds Flow analysis from the following balance sheet of Vijaya LTD., as on 31-03-2018 and 31-03-2019

Liabilities	31-03-2018(Rs.)	31-03-2019(Rs.)	ASSETS	31-03-2018 (Rs.)	31-03-2019 (Rs.)
Equity Capital	2,00,000	3,00,000	Land & buildings	1,00,000	80,000
Preference Capital	2,00,000	1,00,000	Plant	1,90,000	2,20,000
P & L account	50,000	55,000	Investments	80,000	90,000
General Reserve	40,000	60,000	Bills receivables	60,000	40,000
Long-term loans	60,000	70,000	Cash at Bank	10,000	20,000
Current liabilities	40,000	45,000	Stock	1,20,000	1,40,000
			Debtors	30,000	40,000
TOTAL	5,90,000	6,30,000	TOTAL	5,90,000	6,30,000

Additional information

1. Dividend declared and paid Rs.25,000
2. Additional Plant purchased Rs.50,000
3. Tax paid during the year Rs.45,000

13. (a) What is cash flow analysis? Distinguish between cash flow analysis and funds flow analysis?

(OR)

(b) DO WELL LTD., supplies you the following information on 31 st December 2010 and 2011. Prepare Cash flow statement.

Liabilities	2010 (Rs.)	2011(Rs.)	Assets	2010 (Rs.)	2011(Rs.)
Share capital	70,000	74,000	Bank balance	9,000	8,000
Bonds	52,000	56,000	Inventory	25,000	28,000
Bills payables	10,500	12,000	Investments	50,000	55,000
creditors			Land	50,000	55,000
Reserves & surplus	1,500	1,800	Goodwill	10,000	5,000
	15,000	17,200	Cash	5,000	10,000
TOTAL	1,49,000	1,61,000	TOTAL	1,49,000	1,61,000

Additional information:

1. Dividend paid during the year Rs.5,000
2. Good will written off Rs.5,000
3. Tax paid during the year Rs.6,000
4. Depreciation on Land is during the year Rs.7,500.

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PAPER: Cost Control and Management Accounting

Time: 3 Hours

Max Marks: 80

Section-A

- I. Answer any *five* of the following questions (5x4=20 Marks)
1. Fixed expenses Rs.80,000. Break Even Sales Rs.2,00,000. Calculate
 a) P/V ratio b) Profit when sales are Rs.4,00,000
 2. Write Advantages of budgetary control
 3. Define Activity Turnover ratios
 4. Define Funds from Business Operations
 5. Write Limitations of Cash flow Statement.
 6. Define Profit Volume Ratio.
 7. Write Labour variance.
 8. Calculate opening stock value when Stock turnover ratio - 6 times,
 Gross profit ratio - 20% on sales, Sales – Rs.3,00,000 and closing stock – Rs.30,000

Section-B

- II. Answer the following questions (5x12=60 Marks)
9. (a) Define Management Accounting? Write the Differences between Management Accounting and Cost Accounting?

(OR)

- (b) Following information has been made available from the cost records of United Automobiles Ltd. manufacturing spare parts

Direct material	Per Unit (Rs.)
X	15
Y	10
Direct Wages	
X	4
Y	3
Variable overheads	100% of wages
Fixed overheads	Rs.1,000
Selling Price	
X	(Rs.) 25
Y	(Rs.) 20

The manager wants to be acquainted with the desirability of adopting any one of the following alternative sales mixes in the budget for the next period

- (a) 100 units of X and 200 units of Y
- (b) 150 units of X and 150 units of Y
- (c) 200 units of X and 100 units of Y

State which of the alternative sales mixes you would recommend to the management?

10. (a) Define Standard Costing? Write the differences between Standard Costing and Budgetary Control?

(OR)

- (b) The following information relating to product A for last 6 months of 2018.

1. The units to be sold in different months are:
 July – 2,000, August – 2,000, September – 3,000,
 October- 4,000, November- 4,000 December- 5,000
 January 2019- 6,000

2. There is no work-in-progress at the end of every month.

3. Finished units equal to half of sales for the next month will be in stock at the end of every month (Including June)

4. Budgeted production and production costs for the year ended 31.12.2018 is as under

- (i) Production in units - 50,000
- (ii) Material cost per unit - Rs.25
- (iii) Wages per unit - Rs.10
- (iv) Factory overheads apportioned to the product Rs.4,00,000

11. (a) Following are the two years balance sheets of ABC Ltd. Prepare Comparative balance sheet and comment on it?

Liabilities	2018 Rs.	2019 Rs.	Assets	2018 Rs.	2019 Rs.
Sundry creditors	37,500	52,500	Cash	80,000	90,000
Current liabilities	40,000	50,500	Sundry debtors	20,000	25,000
Bank loan	57,500	62,000	Stock	25,000	30,000
Reserves & surplus	50,000	60,000	Cash at bank	10,000	8,000
Capital	65,000	90,000	Bills receivables	20,000	22,000
10% debentures	80,000	65,000	Buildings	1,00,000	1,20,000
			Machinery	75,000	85,000
Total	3,30,000	3,80,000	Total	3,30,000	3,80,000

(OR)

- (b) Your supplied with the following information is about SREEJA LTD. For the year ended 31st March 2017.

- (i) Stock turnover ratio - 5 times
- (ii) Gross profit ratio - 25% on sales.
- (iii) Sales for 2016-2017 - Rs.4,00,000
- (iv) Closing stock is Rs.10,000 more than the opening stock.
- (v) Opening creditors - Rs.20,000
- (vi) Closing creditors - Rs.30,000
- (vii) Sundry Debtors at the end of 31 st March 2017 - Rs.60,000
- (viii) Net working capital - Rs.50,000

Find out:-

- (i) Average stock and Purchases
- (ii) Creditors turnover ratio
- (iii) Average payment period
- (iv) Average Collection period
- (v) Working capital turnover ratio

- 12.(a) Write the differences between:

- (i) Funds flow statement and Income statement.
- (ii) Funds flow statement and Balance sheet

(OR)

- (b) Akshaya LTD., supplies you the following information on 31 st December 2010 and 2011. Prepare Funds flow statement.

Liabilities	2010 (Rs.)	2011(Rs.)	Assets	2010 (Rs.)	2011(Rs.)
Share capital	70,000	74,000	Bank balance	9,000	8,000
Bonds	52,000	56,000	Inventory	25,000	28,000
Bills payables	10,500	12,000	Investments	50,000	55,000
creditors	1,500	1,800	Land	50,000	55,000
Reserves & surplus	15,000	17,200	Goodwill	10,000	5,000
			Cash	5,000	10,000
Total	1,49,000	1,61,000	Total	1,49,000	1,61,000

Additional information:

- (i) Dividend paid during the year Rs.5,000
- (ii) Good will written off Rs.5,000
- (iii) Tax paid during the year Rs.6,000
- (iv) Depreciation on Land is during the year Rs.7,500

13. (a) What do you mean by Cash Flow Statement? Explain the process of preparing Cash flow statement as per Accounting Standard - 3?

(OR)

- (b) Prepare Cash Flow analysis from the following balance sheet of Vijaya LTD., as on 31-03-2018 and 31-03-2019

Liabilities	31-03-2018 (Rs.)	31-03-2019 (Rs.)	Assets	31-03-2018 (Rs.)	31-03-2019 (Rs.)
Equity Capital	2,00,000	3,00,000	Land & buildings	1,00,000	80,000
Preference Capital	2,00,000	1,00,000	Plant	1,90,000	2,20,000
P&L account	50,000	55,000	Investments	80,000	90,000
General Reserve	40,000	60,000	Bills receivables	60,000	40,000
Long-term loans	60,000	70,000	Cash at Bank	10,000	20,000
Current liabilities	40,000	45,000	Stock	1,20,000	1,40,000
			Debtors	30,000	40,000
Total	5,90,000	6,30,000	Total	5,90,000	6,30,000

Additional information:

- 1.Dividend declared and paid Rs.25,000
- 2.Additional Plant purchased Rs.50,000
- 3.Tax paid during the year Rs.45,000.
