



Avinashilingam Institute for Home Science and Higher Education for Women

(Deemed to be University under Category 'A' by MHRD, Estd. u/s 3 of UGC Act 1956)

Re-accredited with A+ Grade by NAAC. Recognized by UGC Under Section 12B

Coimbatore - 641 043, Tamil Nadu, India

Continuous Internal Assessment Test II – October 2024

SEMESTER III

Class: II UG
Major: B.Com(CA)

Time: 2 Hours
Maximum marks: 60

23BCCC07 – Cost and Management Accounting

CO1: Understand the basic of Cost and Management Accounting

CO2: Ability to determine cost of Products and Services

CO3: Critically analyse relevant costs and provide recommendations for decision making.

CO4: Analyse the financial statements of a company.

CO5: Prepare plans and budgets and analyse variances from standard cost to pinpoint areas that need control.

Part A

Choose the Correct Answer

6 X 1 = 6

- Standard costing is a CO3:K1
 - Method of costing
 - Technique for cost reduction.
 - Cost control technique
 - variable cost
- Variance analysis involves CO3:K1
 - Dividing variance according to causes
 - Fixing responsibility for loss
 - Identifying gains in working.
 - Past performance
- Which of the following is a non-current asset? CO4:K2
 - Goodwill
 - Cash balance
 - Bills receivable
 - Bank balance
- Cash flows are classified as CO4:K2
 - Operating and non –operating flows
 - Cash and non-operating items
 - Operating, Investing and Financing activities
 - Investing and non-operating items
- A production budget is based on CO4: K1
 - Cash budget
 - overhead budget
 - Sales Budget
 - Purchase budget
- Control ratio are calculated for CO5: K1
 - Comparison of actual performance with budgets
 - Planning of activities
 - Financial performance measurement
 - Performance reporting

PART B

Answer all questions

3X 6 = 18

7. The Balance Sheet of Punjab Auto Limited as on 31/12/2002 was as follows:

CO3: K3

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.

(OR)

b) From the following information, calculate material mix variance:

CO3: K3

MATERIALS	STANDARD		ACTUAL	
	Quantity (unit)	Price per unit	Quantity (unit)	Price per unit
A	40	10	50	12
B	60	5	50	8

8. a) B.M Company presents the following information and you are required to calculate funds from operations:

CO4: K3

Profit and Loss Account			
Particulars	Amount(Rs)	Particulars	Amount(Rs)
To Expenses:		By Gross profit	2,00,000
Operation	1,00,000	By Gain on sale of plant	20,000
Depreciation	40,000		
To loss on sale of building	10,000		
To advertisement suspense account	5,000		
To discount (allowed to customers)	500		
To discount on issue of shares written off	500		
To goodwill	12000		
To net profit	52,000		
	2,20,000		2,20,000

(OR)

CO4:K3

b) Differentiate between cash flow and fund flow statements.

9. a) You are required to prepare a production budget for the half year ending June 2020 from the following information.

CO5: K3

Product	Budgeted sales	Actual stock on 31.12.2019	Desired stock on 30.06.2020
S	Units 20,000	Units 4000	Units 5000
T	50,000	6000	10,000

(OR)

b) A company which its output on contract basis as component to an assembling firm as a contract to supply 10,000 units of its only product during 2019. The following were the budgeted expenses and revenue.

CO5: K3

- Material Rs 15 per unit
- Wages Rs 10 per units
- Work expenses (fixed) Rs 40,000, (Variables) Rs 4 per units
- General expenses (all fixed) Rs 60,000
- Profit is 20% on sales price

Prepare the budget for 2020 showing the cost and profit

PART C

Answer all questions

3X 12 = 36

CO3: K2

10.a) From the following data, you are required to calculate:

- a) P/V Ratio
 - b) Break-even sales with the help of P/V Ratio.
 - c) Sales required to earn a profit of Rs.4,50,000
- | | |
|-------------------------|-----------------------|
| Fixed Expenses | Rs.90,000 |
| Variable cost per unit: | |
| Direct Material | Rs.5 |
| Direct Labour | Rs.2 |
| Direct Overheads | 100% of Direct Labour |
| Selling Price Per Unit | Rs.12. |

(OR)

b) The following Trading and Profit and Loss Account of Fantasy Ltd. for the year 31.12.2000 is given below:

CO3:K3

Particular	Rs.	Particular	Rs.
To Opening Stock	76,250	By Sales	5,00,000
“Purchases	3,15,250	“Closing stock	98,500
“Carriage and Freight	2,000		
“Wages	5,000		
“Gross Profit b/d	2,00,000		
	5,98,500		5,98,500
To Administration expenses	1,01,000	By Gross Profit b/d	
“Selling and Dist. expenses	12,000	“Non-operating incomes: “	2,00,000
“Non-operating expenses “Financial	2,000	Interest on Securities	1,500
Expenses	7,000	“Dividend on shares	3,750
Net Profit c/d	84,000	“Profit on sale of shares	750
	2,06,000		2,06,000

Calculate:

- 1. Gross Profit Ratio
- 4. Net Profit Ratio

- 2. Expenses Ratio
- 3. Operating Ratio
- 5. Operating (Net) Profit Ratio
- 6. Stock Turnover Ratio

11.a) Prepare working capital statement from the following details

CO3:K3

Particulars	01-01-1999	31-12-1999
8% Debenture	40,000	40,000
Outstanding rent	8,000	12,000
Cash in hand	4,000	8,000
Cash at bank	12,000	15,000
Account payable	20,000	26,000
Machinery	25,000	16,000
Accounts receivable	30,000	34,000
Prepaid commission	4,000	-
Inventories	22,000	27,000
Share premium	15,000	15,000
Equity share capital	50,000	50,000

(OR)

b) With the following data for a 60% activity, prepare a budget for production at 80% and 100% capacity:

CO3:K3

Production at 60% activity	600 units
Material	Rs 100 per units
Labour	Rs 40 per units
Direct Expenses	Rs 10 per units
Factory overheads	Rs 40,000(40% fixed)
Administration expenses	Rs 30,000(60% fixed)

12a) From the following Trading and profit and loss Account of Kaveri Ltd., you are required to ascertain cash from operations.

CO4:K3

Particulars	Rs	Particulars	Rs
To Cost of goods sold	2,40,000	By Sales	4,00,000
To Gross profit c/d	1,60,000		
	4,00,000		4,00,000
To Stationery	6,000	By Gross Profit b/d	1,60,000
To Depreciation	14,000		
To Salaries	20,000		
To Loss on Sales of investments	2,000		
To Rent & Taxes	8,000		
To Discount on issue of debentures	4,000		
To Postage	3,000		
To Provision for tax	20,000		
To Proposed dividend	10,000		
To Net Profit	73,000		
	1,60,000		1,60,000

(OR)

b) From the following data forecast the cash position at the end of April, May and June 2020

CO5:K3

Month 2022	Sales Rs	Purchases Rs	Wages Rs	Sales Expenses Rs
February	1,20,000	80,000	10,000	7,000
March	1,30,000	98,000	12,000	9,000
April	70,000	1,00,000	8,000	5,000
May	1,16,000	103,000	10,000	10,000
June	85,000	80,000	8,000	6,000

Further Information:

Sales at 10% realised in the month of sales. Balance equally realised in two subsequent months.

Purchases: Creditors are paid in the month of supply.

Wages: 20% paid in arrears in the following month

Sundry expenses paid in the month itself.

Income tax Rs 20,000 payable in June.

Dividend Rs 12,000 payable in June.

Income from investment Rs 2,000 Received half yearly in March and September

Cash balance on hand as on 1-04-2022 Rs 40,000

10. (b) From the following Balance Sheet relating to H Ltd. and S Ltd. prepare a consolidated Balance Sheet.

Balance Sheet as on 31.12.1992

Liabilities	H Ltd. ₹	S Ltd. ₹	Assets	H Ltd. ₹	S Ltd. ₹
Share Capital (Shares of Rs. 10 each)	10,00,000	2,00,000	Sundry Fixed Assets	8,00,000	1,20,000
Profit & Loss A/c	4,00,000	1,20,000	Stock	6,10,000	2,40,000
Reserves	1,00,000	60,000	Debtors	1,30,000	1,70,000
Creditors	2,00,000	1,20,000	Bills Receivable	10,000	-
Bills Payable	-	30,000	Shares in 'S Ltd.' At cost (15,000 shares)	1,50,000	-
	17,00,000	5,30,000		17,00,000	5,30,000

- (a) All profits of S Ltd. have been earned after the shares were acquired by H Ltd. But there was already a reserve of Rs. 60,000 on that date.
 (b) All the bills payable of S Ltd. were accepted in favour of H Ltd.
 (c) The stock of H Ltd. includes Rs. 50,000 purchased from S Ltd. The profit added was 25% on cost:

CO3 K2

11.(a). Following are the balances obtained from the ledger of Hotel Nanjundewar on 31st March, 2021:

Particulars	₹	Particulars	₹
Capital	1,50,000	Purchases:	
Freehold Premises	1,00,000	Provisions and Stores	10,000
China Glass and Plates	10,000	Liquors	15,000
Furniture & Fixtures	25,000	Cigarettes	1,000
Drawings	2,500	Coal	5,000
Wages and Salaries	40,000	Sales:	
Rates and Insurance	12,500	- Food Items	40,000
Laundry Charges	4,000	- Beverages	10,000
Linen Bedding	10,000	- Liquors	25,000
Electricity Light	6,500	- Cigarettes	1,500
General Expenses	6,000	- Rent from Rooms	1,00,000
Visitors' Account	5,000	Repairs and Renewals of Premises	10,000
Sundry Creditors	7,500	Depreciation:	
Stock on 1-4-2020:		- On Premises	10,000
- Liquors	20,000	- On Furniture	2,500
- Cigarettes	500	- Glass & Plates	1,000
- Provision & Stores	4,000	- Linen & Beddings	1,500
- Coal	1,000	Cash in hand	5,000
Cash at Bank	26,000		

Adjustments:

1) Stock on 31-3-2021:

Provisions and Stores ₹ 5,000; Liquors ₹ 7,500; Cigarettes ₹ 250; Coal ₹ 1,500.

2) A sum of ₹ 5,000 representing accommodation and ₹ 4,000 representing meals is to be charged to the proprietor.

3) Insurance paid in advance ₹ 500

4) Outstanding Salaries ₹ 2,500.

From the above; Prepare Final accounts of the Hotel for the year ended 31st March, 2021.

(Or)

11.(b) Following is the Trial Balance of Hoysala Hotel Ltd. as on 31-12-2020. Prepare Statement of Profit and Loss and Balance Sheet.

Particulars	Dr. ₹	Cr. ₹
Authorised Capital: 10,000, 5% preference shares of ₹ 10 each; 15,000 equity shares of ₹ 10 each		
Paid up Capital:		
8,500, 5% Preference shares	-	85,000
14,000 Equity shares	-	1,40,000
Purchases:		
Liquors	60,000	-
Provisions	50,000	-
Sales		
Food	-	70,000
Liquors	-	80,000
Apartment rents	-	82,000
Miscellaneous income	-	10,300
4 % Mortgage debentures	-	2,00,000
Buildings	3,50,000	-
Furniture & Fittings	57,000	-
Investments	52,000	-
Goodwill at cost	1,10,000	-
Reserve Fund	-	75,000
Profit & Loss A/c 1-1-2020	-	15,000
Creditors	-	50,000
Debenture interest	7,500	-
Wages & Salaries	52,000	-
Hotel Expenses	7,000	-
General Administrative expenses	29,500	-
Repairs	2,175	-
Interim dividend for preference shares (1/2 year)	2,125	-
Stock 1-1-2020:		
Liquors	22,000	
Provisions	3,200	
Cash	1,300	
Book debts	1,500	
	8,07,300	8,07,300

Adjustments:

- 1) Closing Stock of Liquors ₹ 25,000 and provisions 15,000
- 2) Depreciated furniture by 5%.
- 3) Wages unpaid ₹ 15,000.
- 4) Provide for balance of Debenture Interest and preference dividend.
- 5) Declare 10% dividend for equities.

CO4 K3

12.(a) Discuss briefly the important approaches to the valuation of Human Resource Accounting. CO5 K2

(Or)

12.(b) Explain the four approaches to price level accounting.

CO5 K3

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