(8 pages)

APRIL 2025 **72264/150C2B**

Time : Three hours Maximum : 75 marks

SECTION A — (10 × 2 = 20 marks)

Answer any TEN questions in about 30 words each.

1. List down the elements of cost.

2. State the limitations of cost accounting.

3. What do you mean by Activity Based Costing?

4. Write any two differences between financial accounting and management accounting.

5. What is the impact of issue of shares in fund flow statement?

6. What is the purpose for preparation of financial statements?

7. List any six sources of funds.

8. Distinguish between Contribution and Profit.

9. What is 'Profitability Ratio'?

10. Write a short on liquid ratio.

11. What is meant by "Angle of Incidence" in a break-even chart?

12. Write a note on master budget.

SECTION B — ($5 \times 5 = 25$ marks)

Answer any FIVE questions.

13. What is meant by cost accounting? In what essential respects does cost accounting differ from financial accounting?

14. Define Management Accounting. Discuss the scope and functions of Management Accounting.

15. From the following calculate trend percentages taking 2018 as the base year

Particulars	2018	2019	2020	2021	2022
Sales	3000	3400	4200	4800	5200
Cost of goods sold	1800	2040	2560	2870	3000
Office Expenses	400	420	450	500	550
Selling expenses	200	250	300	400	500
Net profit/loss	600	690	890	1030	1150

16. Discuss the application of ratio analysis in the interpretation of financial statement in financial analysis. What are its limitations?

17. A factory is currently working at 50% capacity and produces 10,000 units of product P, the unit cost of which is Rs. 180 compromised as follows (all figures in Rs.) :

Direct materials	100
Direct labours	30
Factory overhead	30 (40% fixed)
Administrative overhead	20 (50% fixed)
The selling price is Rs. 200	

If the capacity is increased to 60% the raw material cost will increase by 2% and selling price falls by 2%. At 80% capacity material cost increases by 5% and the selling price falls by 5%.

Prepare a flexible budget for two capacity levels (50%, and 60%) and prepare a brief note for the management on the profitability at these levels of performance with your recommendation.

18. Explain the various applications of Marginal Costing.

19. The sales and profits of J.K. Ltd. during two years were as given below:

Year	Total Sales (Rs.)	Total Cost (Rs.)
2022	3,00,000	2,60,000
2023	3,40,000	2,90,000

Compute :

(a) P/V Ratio;

(b) Break-even Point;

(c) Sales required to reach a profit of Rs. 40,000;

(d) Profit made when sales amount is Rs. 2,50,000.

SECTION C — ($3 \times 10 = 30$ marks)

Answer any THREE questions.

20. Calculate the Profit using the cost sheet from the following information

Sales for the year – Rs. 2,75,000

Inventories at the beginning of the year:

Finished goods – Rs. 7,000

Work in progress – Rs. 4,000

Purchase of materials for the year – Rs. 11,000

Materials:

At the beginning of the year – Rs. 3,000

At the end of the year – Rs. 4,000

Direct labour – Rs. 65,000

Factory overheads – 60% of the direct labour

Inventories at the end of the year:

Work in progress – Rs. 6,000

Finished goods – Rs. 8,000

Other expenses for the year:

Selling expenses 10% of sales

Administrative expenses – 5% of the sales.

21. Prepare a comparative balance sheet from the balance sheet of Suresh & co Ltd for the years 2022 and 2023

Liabilities	2022	2023	Assets	2022	2023
Equity share capital	80,000	80,000	Land and Buildings	80,000	74,000
8% Debentures	80,000	90,000	Plant and Machinery	60,000	54,000
Retained Earnings	40,000	49,000	Furniture	20,000	28,000
Sundry Creditors	50,000	70,000	Inventory	40,000	60,000
Bills payable	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
	2,60,000	3,04,000		2,60,000	3,04,000

22. From the following particulars calculate

(a) Current Ratio,

(b) Quick Ratio,

(c) Debt equity ratio, and

(d) Working capital turnover ratio

Liabilities	Amount (Rs.)	Assets	Amount (Rs.)
Equity Share Capital	2,45,000	Land and Buildings	2,00,000
Profit and Loss Account	95,000	Plant and Machinery	5,00,000
General Reserve	55,000	Stock	3,00,000
10% Debentures	6,10,000	Debtors	1,50,000
Creditors	1,50,000	Investments	15,000
Bills Payable	80,000	Cash	70,000
	12,35,000		12,35,000

23. Prepare a cash budget for the three months from 2022 July to September from the given information

	May	June	July	August	September
Sales	95,000	1,10,000	1,50,000	1,25,000	1,35,500
Purchases	80,000	78,000	1,10,000	1,20,000	1,00,000
Wages	6,000	7,500	8,800	9,000	8,400
Factory overheads	3,200	1,280	780	2,300	840
Administrative Expenses	6,000	6,200	6,800	9,500	4,700
Selling expenses	4,000	4,500	4,300	4,400	5,200

Additional information:

A dividend of Rs. 10,500 will be paid in June

Period of credit allowed by suppliers is two months and to customers 8 weeks

Time lag for making payments of wages and overheads

Wages 1/8th month

Factory overheads 4 weeks

Administration overheads 6 weeks

Selling overheads 6 weeks

Plant purchased, June – 28,000, payable on delivery

Machinery purchased, June Rs. 60,000, payable in two half yearly instalments, the first in July.

Cash and bank balance on 1st July, 2022 was Rs. 18,000.

24. Explain the concept of BEP and CVP. Explain as to how they are useful to the managers for their decision making.