

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2015**Sixth Semester****Core Course 17—ACCOUNTING FOR MANAGERIAL DECISIONS**

[Common for B.Com. Model I, B.Com. (Vocational Model II) and Model III
B.Com. Degree Programmes]

Time : Three Hours

Maximum Weight : 25

Answers may be written either in English or in Malayalam.

Part A

This section consists of four bunches of four questions each.

Each bunch carries a weight of 1.

Answer all questions.

I. Choose the correct answer from the choices given :**1 Responsibility Accounting is also called as :**

- (a) Management accounting. (b) Profitability accounting.
(c) Production accounting. (d) Human resources accounting.

2 Networking capital always becomes :

- (a) Positive. (b) Negative.
(c) Either positive or negative. (d) None of these.

3 If the net profit of a business concern is Rs. 3,20,000 after crediting an interest on investment of Rs. 30,000 and after transferring Rs. 50,000 to general reserve, then fund from the operation is equal to :

- (a) Rs. 3,00,000. (b) Rs. 2,40,000.
(c) Rs. 3,40,000. (d) None of these.

4 Acid Test Ratio measures :

- (a) Activity. (b) Profitability.
(c) Long-term financial position. (d) Liquidity.

II. Fill in the blanks :

- 5 Debt-Equity Ratio measures the _____ of the business.
6 Total long term funds invested into the business is called _____.
7 Cash Flow Statement is a part of _____.
8 A cost manager is concerned not only with cost management but also with _____.

Turn over

III. State whether the statements are True or False :

- 9 All controllable costs are direct costs.
- 10 Horizontal analysis is used to compare the Financial Statements over a number of years.
- 11 Acid Test Ratio indicates the liquidity position of a concern.
- 12 Cash Flow Statement is a technique of financial forecasting.

IV. Match the following :—

A	B
13 Cash Flow Statement	(a) Balance Sheet Ratio.
14 Credit sale of goods	(b) Financial Statement.
15 Responsibility Accounting	(c) Mixed Ratio.
16 Stock Velocity Ratio	(d) Profitability accounting.
	(e) Increase funds from operation.
	(f) Decrease funds from operation.

(4 × 1 = 4)

Part B

*Answer any five questions.
Each question carries a weight of 1.*

- 17 What is trend analysis ?
- 18 What is meant by vertical analysis of Financial Statements ?
- 19 What is Capital Employed ?
- 20 What is Quick Asset ?
- 21 Why is Cash Flow Statement prepared ?
- 22 What is meant by Investing Activities ?
- 23 What is Fund from operation ?
- 24 Define Responsibility Accounting.

(5 × 1 = 5)

Part C

*Answer any four questions.
Each question carries a weight of 2.*

- 25 Is depreciation is a source of Fund. Discuss.
- 26 Give the performa of a Cash Flow Statement.
- 27 What are the uses of Ratio Analysis in accounting ?
- 28 Compare between Comparative Financial Statement and Common Size Financial Statement.

- 29 From the following information of a company for the year 2011 and 2012. Prepare a common size income statement :

	2011 (Rs.)	2012 (Rs.)
Net sales	2,00,000	3,00,000
Cost of Goods sold	1,20,000	1,50,000
Selling and Administrative Expenses	40,000	45,000
Interest paid	4,000	90,000
Interest received	6,000	6,000
Income tax	50 %	40 %

- 30 From the following Balance Sheet of Y Ltd. Calculate the different turn over ratios :—

Liabilities		(Rs.)	Assets		(Rs.)
Equity share capital	...	6,00,000	Fixed Assets	...	6,50,000
General Reserve	...	2,50,000	Stock	...	2,25,000
8 % Debentures	...	1,50,000	Debtors	...	2,75,000
Creditors	...	2,00,000	Cash at Bank	...	50,000
		<u>12,00,000</u>			<u>12,00,000</u>

Given capital Turnover Ratio is 1.5 times.

(4 × 2 = 8)

Part D

Answer any two questions.

Each question carries a weight of 4.

- 31 Based on the following information, determine the funds generated by trading operations :

	31-3-2010	31-3-2011
	Rs.	Rs.
Balance of P & L a/c	30,000	74,000
Net profit for the year	44,000	99,250
Depreciation provision	80,000	90,000

Further information :

- (a) During the year 2011, Machinery costing Rs. 10,000 which was half depreciated, was discarded and written-off.
- (b) Investments costing Rs. 2,500 were sold during the year 2011 for Rs. 2,400.
- 32 X Ltd. made a profit of Rs. 50,000 after considering the following :—

	Rs.
Depreciation on fixed assets	30,000
Amortization of preliminary Expenses	20,000
Loss on sale of machinery	25,000
Provision for doubtful debts	3,000
Gain on sale of assets	28,000

Turn over

		March 31, 2011	March 3, 2012
		Rs.	Rs.
Debtors	...	40,000	45,000
Creditors	...	30,000	50,000
Bills Receivable	...	25,000	22,000
Bills payable	...	10,000	8,000
Short-term liabilities	...	10,000	12,000
Prepaid expenses	...	700	1,000

From the above particulars, calculate the amount of cash flows.

- 33 From the following information relating to a limited company, prepare a Balance Sheet and a statement of Proprietors Fund :

Current Ratio	...	2
Quick Ratio	...	1.5
Fixed assets to proprietary fund	...	0.75
Working capital	...	Rs. 75,000
Reserve and Surplus	...	Rs. 50,000
Bank overdraft	...	Rs. 10,000

There were no long-term loans or fictitious assets.

(2 × 4 = 8)

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2015**Sixth Semester****Core Course 16—PRACTICAL AUDITING**

(Common for model I B.Com., model II B.Com. and UGC sponsored B.Com. Degree programmes)

Time : Three Hours

Maximum Weight : 25

Answers may be written in English or in Malayalam.

Part A

*This section consists of four bunches of four questions each.
Each bunch carries a weight of 1.*

I. Choose the correct answer from the choices given :

- 1 Comparing the entries in the books of accounts with documentary evidence is known as _____.
 (a) Verification. (b) Vouching.
 (c) Valuation. (d) Verification.
- 2 The bench mark by which the quality of audit performance can be measured is called _____.
 (a) EDP. (b) Auditing.
 (c) Performance audit. (d) AAS.
- 3 _____ is known as critical examination of books of accounts.
 (a) Investigation. (b) Auditing.
 (c) Book-keeping. (d) Routine checking.
- 4 An invitation to the public to subscribe to the shares and debentures of the company is called _____.
 (a) Memorandum of association.
 (b) Articles of association.
 (c) Prospectus.
 (d) Certificate of incorporation.

II. Fill in the blanks :

- 5 Teaming and lading is a method of misappropriating _____.
- 6 Auditor is _____ of the shareholder.

Turn over

7 Innocently created mistakes are called ———.

8 Assets which have no value are known as ———.

III. State whether the following statements are true or false :

9 Only a chartered accountant can carry out stator audit.

10 Working papers are the property of the client only.

11 There can be no standard audit programme in the case of investigation.

12 Automative review of operations is known as internal control.

IV. Match the following :

- | | | |
|----------------------|---|----------------------------------|
| 13 Verification | — | Procedure and practices of ICAI. |
| 14 First auditors | — | Proving the truth. |
| 15 Tax audit | — | Audit memorandum. |
| 16 Accounting system | — | Board of directors. |

(4 × 1 = 4)

Part B

Answer any five questions.

Each question carries a weight of 1.

17 What do you mean by audit-in-depth ?

18 What is internal audit ?

19 What do you mean by performance audit ?

20 What is a qualified report ?

21 What is an audit working paper ?

22 What is forfeiture of shares ?

23 What is tax audit ?

24 What are the different types of vouchers ?

(5 × 1 = 5)

Part C

Answer any four questions.

Each question carries a weight of 2.

25 What is an audit note book ? Mention the contents of an audit note book.

26 Distinguish between management audit and statutory audit.

27 What is government audit? What are its objectives ?

28 What are the legal restrictions on the shares issued at a discount ?

- 29 What are the duties of an auditor in respect of internal check ?
- 30 What is auditing in EDP ? What are its features ?

(4 × 2 = 8)

Part D

*Answer any two questions.
Each question carries a weight of 4.*

31. What are the provisions of law relating to the qualifications, disqualifications and appointment of the auditor of a company ?
32. How would you decide a system of internal check with regard to cash transactions of a business ? Explain briefly.
33. What is meant by investigation report ? Explain how you would conduct an investigation on behalf of an incoming partner who wishes to join in an existing partnership firm.

(2 × 4 = 8)

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2015**Sixth Semester****Complementary Course 11—PRINCIPLES OF BUSINESS DECISIONS****[For Model I B.Com.]**

Time : Three Hours

Maximum Weight : 25

*Answers may be written either in English or in Malayalam.***Part A***This section consists of four bunches of four questions each.**Each bunch carries a weight of 1.**Answer all questions.***I. Choose the correct answer from the choices given below :****1 Samuelson's definition of economics is known as :**

- (a) Wealth definition. (b) Welfare definition.
(c) Growth definition. (d) Scarcity definition.

2 An increase in demand can result from :

- (a) A decline in market price.
(b) An increase in income.
(c) An increase in the price of complements.
(d) All of the above.

3 Isoquants explain production function with :

- (a) All inputs. (b) Two variable inputs.
(c) Two fixed inputs. (d) One variable and one fixed inputs.

4 No profit no loss pricing is known as :

- (a) Cost plus pricing. (b) Break-even pricing.
(c) Marginal cost pricing. (d) Going rate pricing.

II. Fill in the blanks :

- 5 Monetary policies are credit control measures adopted by _____.
6 The practice of charging high price in the beginning is called _____.
7 The practice of charging different price for the same product is termed as _____.
8 _____ method is used to measure elasticity of demand for small charges in price.

Turn over

III. State whether the following statements are True or False :

- 9 Downward shift in demand is known as decrease in demand.
- 10 During the boom phase of business cycle, the price and general business activity is below the normal.
- 11 Under price skimming, the price of the product will be very low.
- 12 Isquant curve are also known as different product curves.

III. Match the following :—

- | A | B |
|---------------------------------|-----------------------------|
| 13 Least cost input combination | (a) Joseph Shumpeter. |
| 14 Demand forecasting | (b) Discounting principle |
| 15 Time value of money | (c) A.C. Pigou. |
| 16 Innovation theory | (d) Regression analysis. |
| | (e) Producer's equilibrium. |
| | (f) Cobb Douglas. |

(4 × 1 = 4)

Part B

Answer any five questions.

Each question carries a weight of 1.

- 17 State the Law of Demand.
- 18 Explain the term "derived demand".
- 19 What is cross elasticity of demand ?
- 20 What is production function ?
- 21 What is sunk-cost ?
- 22 Write a short note on the features of perfect competition.
- 23 Define Monopoly.
- 24 What is meant by depression ?

(5 × 1 = 5)

Part C

Answer any four questions.

Each question carries a weight of 2.

Answer should not exceed half a page.

- 25 Discuss briefly the different degrees of price elasticity.
- 26 Discuss the different statistical methods of demand forecasting.
- 27 What are internal economics of scale ?

- 28 Examine the various stages in the life-cycle of product.
- 29 What is price discrimination ? When is it possible and profitable ?
- 30 What are the evil effects of business cycle ?

(4 × 2 = 8)

Part D

Answer any two questions.

Each question carries a weight of 4.

Answer not to exceed four pages.

- 31 Discuss the main features of monopolistic competition and show how price is determined under it.
- 32 What is short run cost analysis ? For what type of decisions is it useful.
- 33 How does the analysis of demand contribute to business decision making ?

(2 × 4 = 8)

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2015**Sixth Semester****Core Course 15—APPLIED COST ACCOUNTING**

[Common for Model I B.Com. Model II B.Com. and UGC sponsored B.Com. Programme]

Time : Three Hours

Maximum Weight : 25

Answers may be written either in English or in Malayalam.

Part A

This section consists of four bunches of four questions each.

Each bunch carries a weight of 1.

Answer all questions.

I. Choose the correct answer from the choices given :**1 Cost unit is used for :**

- (a) Cost control. (b) Cost reduction.
(c) Cost ascertainment. (d) None of these.

2 Cost of a contract is determined by preparing :

- (a) Cost sheet. (b) Profit and Loss Account.
(c) Balance Sheet. (d) Separate ledger accounts.

3 In oil refineries, which of the methods of costing is used ?

- (a) Job costing. (b) Process costing.
(c) Batch costing. (d) Contract costing.

4 A budget prepared to project the budgeted cost for any level of activity is called :

- (a) Flexible budget. (b) Fixed budget.
(c) Cash budget. (d) Budgetary control.

II. Fill in the blanks :

- 5 A budget comprising the summary of all operating and financial budget is known as _____.
6 When selling price equals the cost, contributions = _____.
7 A high P/V ratio will generate _____.
8 Abnormal gain should be _____ to the costing P and L Account.

Turn over

III. State whether the statements are True or False :

- 9 Joint products are produced at the end of the process.
- 10 Cost plus contract and fixed price contract are one and the same.
- 11 The angle of incidence indicates the profit-earning capacity of an entity.
- 12 The cash budget is a tool of financial planning.

IV. Match the following A with B :—

A	B
13 Budget	(a) Break-even sales.
14 High PV ratio	(b) Contract costing.
15 Work certified	(c) High profit.
16 Margin of safety	(d) Short term planning.
	(e) Process costing.
	(f) Actual sales break-even sales.

(4 × 1 = 4)

Part B

*Answer any five questions.
Each question carries a weight of 1.*

- 17 Define "Job costing".
- 18 Explain back flush costing.
- 19 Explain "Escalation clause".
- 20 Explain the term work certified and work uncertified.
- 21 What is Joint product ? Give two examples.
- 22 Explain any two steps involved in budgetary control.
- 23 What is opportunity cost ?
- 24 What do you mean by angle of incidence ?

(5 × 1 = 5)

Part C

*Answer any four questions.
Each question carries a weight of 2.*

- 25 What are the uses of CVP analysis ?
- 26 Distinguish between Flexible budget and Fixed budget.
- 27 Write short notes on "zero-based budgeting".
- 28 Name the methods of accounting for by-products.

29 From the following data, calculate :

(a) PV ratio ; (b) Break-even point and (c) Profit when sales are Rs. 35,000, Sales Rs. 30,000, Variable cost Rs. 18,000, Profit Rs. 3,000.

30 The product of a manufacturing concern passes through two process A and B and then to the finished stock. It is ascertained that in each process normally 5 % of the total weight is lost and 10 % is scrap which from Process A and B realized Rs. 80 per tonne and Rs. 200 per tonne, respectively. The following figures relate to both process :

	Process A	Process B
Materials (in tonnes) ...	1000	—
Cost of materials (Rs./tonne) ...	125	—
Wages (Rs.) ...	38,000	8,000
Manufacturing Expenses ...	8,000	10,000
Output (in tonnes) ...	830	780

Prepare process cost accounts showing cost per tonne of each process. There was no stock or WIP in any process.

(4 × 2 = 8)

Part D

*Answer any two questions.
Each question carries a weight of 4.*

31 With the following data for a 50 % capacity, prepare a budget at 75% and 100 % activity :

Production at 50 % capacity — 500 units

Materials — Rs. 100 per unit

Labour — Rs. 50 per unit

Expenses — Rs. 10 per unit

Factory exp. — Rs. 50,000 (40 % fixed)

Administrative expenses—Rs. 40,000 (50 % fixed)

Expected profit — 20 % on sales.

32 Product 'X' can be produced by machine A or machine B. Machine A can produce 15 units of X per hour and B takes 25 units per hour. The total machine hours available are 7500 hours per annum. From the following comparative cost and selling price, you are required to determine the profitable method of manufacture :

	Per unit of Machine A (Rs.)	Per unit of Machine B (Rs.)
Direct Materials ...	30	30
Direct Labour ...	15	20
Variable overheads ...	17	22
Fixed overheads ...	8	8
Total cost ...	70	80
Selling price ...	75	75

Turn over

- 33 M/s. Shree Construction Co. undertook a contract for constructing a bridge for a total value of Rs. 12,00,000 on 1st January 2010. It was estimated that the contract would be completed by 30 June 2010. You are required to prepare a contract account for the period ending 30 June 2010 :

		Rs.
Wages	...	3,00,000
Materials	...	1,50,000
Materials at site (on 30th June 2010)	...	20,000
Special plant	...	1,00,000
Overheads	...	60,000
Work certified	...	8,00,000

Depreciation is at 10 % p.a. on plant. Cash received is 80 % of the work certified. 8 % of the value of materials issued and 7 % of wages may be taken to have been incurred for the portion of the work completed but not yet certified. Overheads are charged as a percentage of direct wages.

(2 × 4 = 8)

B.Com. DEGREE (C.B.C.S.S.) EXAMINATION, MARCH 2015**Sixth Semester****DATABASE MANAGEMENT SYSTEM FOR BUSINESS**

[For the Optional Stream Computer Application of Model I and Model II B.Com. and UGC Sponsored B.Com. Computer Application]

Time : Three Hours

Maximum Weight : 25

Part A

This section consists of four bunches of four questions each.

Each bunch carries a weight of 1.

Answer all questions.

I. Choose the correct answer from the choices given :

1 In Access, which field type can store photos ?

- (a) Hyperlink. (b) OLE.
(c) Both of these can be used. (d) Access tables cannot store photos.

2 Which of the following field properties displays a model or pattern for entering data ?

- (a) Field size. (b) Format.
(c) Input mask. (d) Validation Rule.

3 What type of relationship is created when you select a primary key in both related tables ?

- (a) One to one. (b) Indeterminate.
(c) One to many. (d) Many to many.

4 A _____ name must be unique within a database.

- (a) Table. (b) Field.
(c) Record. (d) Character.

II. Fill in the blanks :

5 The extension of MS Access 2007 is _____.

6 In Access, _____ data type automatically generates a consecutive number.

7 _____ query is a type of query that summarizes large amounts to data in easy-to-read, row and column format.

8 _____ is used to display information in a formatted stylized way to print out any part of the database information.

Turn over

III. State whether the statements are True or False :

- 9 Foreign key fields don't allow duplicate values.
- 10 Changing the width of one column changes all columns.
- 11 A field is a collection of records arranged in a predefined format.
- 12 DBMS is a set of programs that enables storing, modifying and extracting information from a database.

III. Match the following :—

- | | |
|------------------------|-----------|
| 13 Database Object | — Excel. |
| 14 Database columns | — Memo. |
| 15 Relational database | — Queries |
| 16 Datatype | — Fields. |
| | — Access. |

(4 × 1 = 4)

Part B

*Answer any five questions.
Each question carries a weight of 1.*

- 17 Define data entity.
- 18 Why MS Access is known as a RDBMS ?
- 19 What are attributes ?
- 20 What is referential integrity in relational database ?
- 21 What is a summary report ?
- 22 What is the use of form design window ?
- 23 Name four objects of Access database.
- 24 What is the purpose of Grouping and Sorting in a report ?

(5 × 1 = 5)

Part C

*Answer any four questions.
Each question carries a weight of 2.*

- 25 Describe the procedure for moving a field in MS Access.
- 26 Define relationship. Explain different types of relationships in RDBMS.
- 27 What are the advantages of database system over file system ?
- 28 Explain different types of reports in Access.
- 29 What is the use of Preview Window ?
- 30 Differentiate between Action queries and Summary queries in Access.

(4 × 2 = 8)

Part D

Answer any two questions.

Each question carries a weight of 4.

- 31 What do you mean by DBMS ? Explain its features and advantages. Also specify different components of DBMS.
- 32 Explain the procedure for creating the following controls in forms :
- (a) Option button.
 - (b) Subform.
 - (c) Line.
 - (d) List Box.
- 33 Explain the procedure for creating the following in Access :
- (a) Database.
 - (b) Datable.
 - (c) Query.
 - (d) Report.

(2 × 4 = 8)