(7 pages)

DECEMBER 2024 **P/ID 77928/RMB1D**

Time : Three hours Maximum : 80 marks

PART A — (10 × 2 = 20 marks)

Answer any TEN questions in 50 words each.

1. What is Accounting Process?

2. Explain the preparation and presentation of Income Statement.

3. What is Financial Analysis?

4. What is Ratio Analysis?

5. What is CVP Analysis?

6. How do you prepare a Balance Sheet?

7. What is Trial Balance?

8. Distinguish between Direct and Indirect Costs.

9. "Depreciation is an important sources of Funds (Working Capital)". 'Do you agree? Justify your answer.

10. What is Budgetary Control?

11. Define Standard Costing.

12. Define Cost Accounting.

PART B — ($5 \times 6 = 30$ marks)

Answer any FIVE questions in 250 words each.

13. A manufacturer has supplied the following information relating to one his product

Total variable costs Rs. 30,000

Total sales Rs. 60, 000 Units sold 20,000

Total fixed costs Rs. 18,000

Calculate:

(a) Contribution per unit,

(b) Break-even point,

(c) Margin of safety,

(d) Profit,

(e) Volume of sales to earn a profit of Rs. 24,000.

14. Following is the Balance Sheet of Yeshas Ltd. as at 31.3.2023

Liabilities	Rs.	Assets	Rs.
Equity share capital	5,00,000	Land and buildings	9,00,000
8% preference share capital	4,00,000	Plant and machinery	8,00,000
Reserves and surplus	4,00,000	Closing stock	3,00,000
9% debentures	6,00,000	Debtors	2,00,000
Current liabilities	4,00,000	Bank and cash	90,000
		Prepaid expenses	10,000
	23,00,000		23,00,000

Additional information:

Sales during the year Rs. 8,00,000

Cost of goods sold Rs. 6,00,000

Office and administrative expenses Rs. 1,12,000

Commission received 12,000

Profit on sale of buildings Rs. 54,000

Loss on sale of machinery 34,000

You are required to calculate:

(a) Current ratio

(b) Liquid ratio

(c) Stock turnover ratio

(d) Gross profit ratio

(e) Operating cost ratio

(f) Net profit ratio

(g) Debt-equity ratio

(h) Solvency ratio

(i) Proprietary ratio

(j) Fixed assets to net worth ratio.

15. The following balance were extracted from the books of Thomas as on 31st March, 2018.

Particulars	Rs.	Particulars	Rs.
Purchases	75,000	Capital	60,000
Returns inward	2,000	Creditors	30,000
Opening stock	10,000	Sales	1,20,000
Freight inward	4,000	Returns outward	1,000
Wages	2,000		
Investments	10,000		
Bank charges	1,000		
Land	30,000		
Machinery	30,000		
Building	25,000		
Cash at bank	18,000		
Cash in hand	4,000		
	2,11,000		2,11,000

Additional information:

(a) Closing stock Rs. 9,000

(b) Provided depreciation @ 10% on machinery

(c) Interest accrued on investment Rs. 2,000.

Prepare trading account, profit and loss account and balance sheet.

16. Discuss the standard costing and marginal costing – Explain.

17. From the following information calculate the works cost Rs. 5,000.

Direct material 80,000

Direct labour 22,000

Direct expenses 5,000

Factory overheads 12,000

Work-in progress: opening stock 13,000, closing stock 7,000.

18. Banukalyan Tractor limited has an installed capacity Rs. 5,000 tractors per annum, for the coming year they have budgeted as follows:

Production/sales	4000 units
Cost	Rs. in crores

Direct materials	18
Direct wages	0.60
Factory expenses	0.80
Administrative expenses	0.20
Selling expenses	0.20
Profit	1

Factory expense as well as Selling expenses are available to the extent of 20 percent. Calculate BEP capacity utilisation in percent.

19. Explain the scope, objectives and functions of cost accounting. What are the uses of accounting information in managerial decision-making?

PART C — ($3 \times 10 = 30$ marks)

Answer any THREE questions in 500 words each.

20. What are the various steps involved in the preparation of schedule of changes in Working capital?

21. What do you understand by budget, budgeting and budgetary control? State its objectives of budgetary control?

22. How will you prepare flexible budget? Explain it with an example.

23. Outline the functions of branches of accounting.

24. Define cost volume profit analysis. Explain important terms and concepts in CVP analysis.

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