

School of Finance and Commerce

Bachelor of Commerce Honours
Mid Term Examination - Mar 2024

Duration : 90 Minutes
Max Marks : 50

Sem VI - H1UB601T - Accounting for Managers
General Instructions

Answer to the specific question asked

Draw neat, labelled diagrams wherever necessary

Approved data hand books are allowed subject to verification by the Invigilator

- 1) Define a sales budget and explain its purpose. K2 (2)
- 2) Name some of the techniques of cost control. K1 (3)
- 3) Cost of sales of a firm is Rs 2,50,000 and stock turnover ratio is 5 times. find out the value of stock. K2 (4)
- 4) X Ltd., has a current ratio of 3.5:1 and quick ratio of 2:1. If excess of current assets over quick assets represented by inventories is Rs. 24,000, calculate current assets and current liabilities K2 (6)
- 5) Explain the liquidity ratio employed to assess the firm's short-term financial health, considering its components and the insights it provides into the company's ability to meet its immediate obligations. K3 (6)
- 6) The following are the Balance Sheets of J. Ltd. as at March 31, 2014 and 2015. Prepare a Comparative balance sheet K3 (9)

Particulars	Note No.	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
I. Equity and Liabilities			
1. Shareholders' Funds			
a) Share capital		20,00,000	15,00,000
b) Reserve and surplus		3,00,000	4,00,000
2. Non-current Liabilities			
Long-term borrowings		9,00,000	6,00,000
3. Current liabilities			
Trade payables		3,00,000	2,00,000
Total		35,00,000	27,00,000
II. Assets			
1. Non-current assets			
a) Fixed assets			
- Tangible assets		20,00,000	15,00,000
- Intangible assets		9,00,000	6,00,000
2. Current assets			
- Inventories		3,00,000	4,00,000
- Cash and cash equivalents		3,00,000	2,00,000
Total		35,00,000	27,00,000

- 7) From the following details, calculate interest coverage ratio: Net Profit after tax Rs. 60,000; 15% Long-term debt 10,00,000; and Tax rate 40%. K4 (8)

- 8) Prepare common size Balance Sheet of XRI Ltd. from the following information. K4 (12)

<i>Particulars</i>	<i>Note No.</i>	<i>March 31, 2014</i>	<i>March 31, 2015</i>
I. Equity and Liabilities			
1. Shareholders' Fund			
a) Share capital		15,00,000	12,00,000
b) Reserves and surplus		5,00,000	5,00,000
2. Non-current liabilities			
Long-term borrowings		6,00,000	5,00,000
3. Current liabilities			
Trade Payable		15,50,000	10,50,000
Total		41,50,000	32,50,000
II. Assets			
1. Non-current assets			
a) Fixed assets			
- Tangible asset			
Plant & machinery		14,00,000	8,00,000
- Intangible assets			
Goodwill		16,00,000	12,00,000
b) Non-current investments		10,00,000	10,00,000
2. Current assets			
Inventories		1,50,000	2,50,000
Total		41,50,000	32,50,000

OR

Differentiate between cost control and cost reduction, elucidating how cost control focuses on managing and monitoring expenses within predetermined limits, while cost reduction involves actions to decrease overall costs through efficiency improvements and process optimization. K4 (12)