

F 7241

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Reg. No.....

Name.....

**FIVE YEAR INTEGRATED B.Com., LL.B. (HONOURS) DEGREE  
EXAMINATION, MARCH 2022**

**Fifth Semester**

**FC 11—CORPORATE ACCOUNTING**

**(2018 Admissions—Regular)**

Time : Three Hours

Maximum : 75 Marks

**Part A**

*Answer any five questions.*

*Each question carries 3 marks.*

1. What are the characteristics of management accounting ?
2. What is fund from operation ?
3. What are the limitations of cash flow statement ?
4. What is common size statement ?
5. What is liquidity ratio ?
6. What is external analysis ?

(5 × 3 = 15 marks)

**Part B**

*Answer any three questions.*

*Each question carries 10 marks.*

7. What are the limitations of management accounting ?
8. Distinguish between cash flow statement and fund flow statement.
9. Calculate debtors turnover ratio from the following :

	Rs.
Total sales for the year 2020	: 2,00,000
Cash sales for the year 2020	: 40,000
Debtors as on 1.1.2020	: 20,000
Debtors as on 31.12.2020	: 30,000
Bills receivable as on 1.1.2020	: 15,000
Bills receivables as on 31.12.2020	: 25,000

Also calculate the average debt collection period.

Turn over

10. From the following information, ascertain net cash from operating activities for the year 2020 :

	Rs.
Net profit before tax	60,000
Income tax paid	25,000
Depreciation w/o on fixed assets	5,000
Profit on sale of land	8,000
Interest on debentures paid	1,500
Dividend received	1,000
Proceeds from earthquake disaster settlement	3,000
Increase in the amount of stock	1,000
Decrease in Debtors	500
Decrease in Creditors	300

(3 × 10 = 30 marks)

### Part C

Answer any **two** questions.

Each question carries 15 marks.

11. Explain the scope and functions of management accounting.
12. Following are the summarised balance sheet of ABC Ltd. as on 31<sup>st</sup> December 2019 and 2020 :

#### Balance sheet

<i>Liabilities</i>	2019	2020	<i>Assets</i>	2019	2020
Share capital	2,00,000	2,50,000	Land and building	2,00,000	1,90,000
General Reserve	50,000	60,000	Plant and Machinery	1,50,000	1,69,000
Profit and Loss a/c	30,500	30,600	Stock	1,00,000	74,000
Bank loan	70,000	—	Sundry debtors	80,000	64,200
Sundry Creditors	1,50,000	1,35,200	Cash in hand	500	600
Provision for tax	30,000	35,000	Cash at bank	—	8,000
			Goodwill	—	5,000
	5,30,500	5,10,800		5,30,500	5,10,800

**Additional information :**

During the year 2020.

- 1 Dividend of Rs. 23,000 was paid
- 2 Assets of another company were purchased for a consideration of Rs. 50,000 payable in shares. The following assets were purchased :
 

Stock	-	Rs. 20,000
Machinery	-	25,000
- 3 Machinery was purchased for Rs. 8,000
- 4 Depreciation written off : Building Rs. 10,000 and Machinery Rs. 14,000.
- 5 Income tax paid during the year amounted to Rs. 28,000.

Prepare : 1) A schedule of changes in working capital ; and 2) A fund Flow statement.

13. From the following balance sheet, compute the following ratio : a) Current ratio ; b) Quick ratio ; c) Property ratio ; d) Debt -equity ratio ; e) Fixed assets to net worth ratio ; and f) Capital gearing ratio.

Balance sheet as on 31.12.2020

<i>Liabilities</i>	Amount	<i>Assets</i>	Amount
Equity share capital	4,00,000	Plant and Machinery	4,00,000
10 % Preference share capital	2,00,000	Land and Buildings	4,00,000
20 % Debentures	2,00,000	Stock	3,00,000
Reserves And surplus	2,00,000	Debtors	1,00,000
Long-term loan	1,00,000	Cash at Bank	1,60,000
Creditors	2,00,000	Cash in hand	40,000
Bills Payable	1,00,000		
	14,00,000		14,00,000

(2 × 15 = 30 marks)