

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai — 600 044.

B.Com.(Honours) - END SEMESTER EXAMINATIONS APRIL - 2023

SEMESTER - VI

**20UBHCT6026 - Accounting for Decision Making**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Identify the outline of the scope and objectives of management accounting.
2. From the following information presented, you are required to prepare a comparative statement and interpret the changes.

Particulars	31.3.05	31.3.06
Net Sales	20,00,000	25,00,000
Cost of sales	10,00,000	13,00,000
Operating expenses	5,00,000	4,00,000
Non-operating expenses	20,000	20,000

3. Bring out the relationship between solvency, liquidity and profitability ratios.
4. Determine the value of closing stock from the following details:  
Sales Rs.4,00,000. GP Ratio : 10% on sales. Stock velocity ratio – 4 times and closing stock was Rs.10,000 in excess of opening stock.
5. Net profit for the year Rs.25,000. Depreciation Rs.1,000. Prepaid expenses 1.1.2000 Rs.2,000 and 31.12.2000 Rs.1,000. Outstanding salary 31.12.2000 Rs.500.  
Ascertain the cash from operations.
6. The P/V ratio is 50% and margin of safety is 40%. You are required to prepare the BEP and net profit if sales value is Rs.50,00,000.
7. A firm purchases two products "A" and "B". The opening balances of products are 7,800 units and 8,400 units respectively. The estimated sales during the month are 14,700 units and 15,300 units respectively. The required closing balances are 8,200 and 9,000 units. Prepare the production budget.
8. The statement of cost of a fan is given below and solve that: Material - Rs.400; labour - Rs.200; variable cost - Rs.50; fixed cost - Rs.150; profit - Rs.250 and sales - Rs.1,050. Number of fans sold and made is 10,000.  
B.E.P and how many fans are sold and made if the selling price reduced by Rs.50.

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## Section C

I - Answer any **TWO** questions ( $2 \times 10 = 20$  Marks)

9. Following are the Balance Sheets of X Ltd as on 31.3.2003. Analyse and prepare a comparative Balance Sheet and give your interpretation.

### Balance Sheet as on 31.12.2003 and 31.12.2004

Liabilities	31.12.03	31.12.04	Assets	31.12.03	31.12.04
Equity Share Capital	1,00,000	1,50,000	Land & Buildings	80,000	1,00,000
Preference Share Capital	50,000	60,000	Plant & Machinery	50,000	65,000
Debentures	50,000	30,000	Furniture	10,000	5,000
Profit and Loss a/c	12,000	15,000	Stock	30,000	45,000
Sundry Creditors	7,000	12,000	Debtors	20,000	35,000
Outstanding Expenses	1,000	3,000	Bank	30,000	20,000
	<b>2,20,000</b>	<b>2,70,000</b>		<b>2,20,000</b>	<b>2,70,000</b>

10. The comparative Balance Sheet of M/S. Ram brothers for the two year were as follows:

Liabilities	2004	2005	Assets	2004	2005
Capital	1,50,000	1,75,000	Land	1,10,000	1,50,000
loan from bank	1,60,000	1,00,000	Machine	2,00,000	1,40,000
Creditors	90,000	1,00,000	Stock	50,000	45,000
Bills payable	50,000	40,000	Debtors	70,000	80,000
loan from IB	Nil	25,000			
	<b>4,50,000</b>	<b>4,40,000</b>		<b>4,50,000</b>	<b>4,40,000</b>

Net profit for year Rs.60,000. During the year a machine costing Rs.25,000 (accumulated depreciation Rs.10,000) was sold Rs.13,000. The provision for depreciation against machinery for 2004 Rs.50,000 and for 2005 Rs.85,000. Examine a cash flow statement.

11. Following particulars have been taken from the books of ABC Ltd.: (N)

Particulars	2004 (Rs.)	2005 (Rs.)
Sales	20,00,000	25,00,000
Profit/Loss	1,00,000 (Loss)	1,00,000 (Profit)

Examine: a) P/V Ratio      b) Break Even Sales      c) Sales required to earn a profit of Rs.5,00,000

12. Evaluate debtor's turnover ratio from the following: (E)

Total sales for the year	Rs.1,00,000
Cash sales	Rs.20,000
Debtors as on 1 <sup>st</sup> Jan	Rs.10,000
Debtors as on 31 <sup>st</sup> Dec	Rs.15,000
Bills receivable as on 1 <sup>st</sup> Jan	Rs.7,500
Bills receivable as on 31 <sup>st</sup> Dec	Rs.12,500

II - Compulsory question (1 × 10 = 10 Marks)

13. From the following information, you required to analyze and prepare a Balance sheet.

Current ratio - 1.75, liquid ratio -1.25, stock turnover ratio - 9  
(cost of sales/closing stock), G.P.Ratio -25%. Debt collection period - 1.5  
months. Reserve and surplus to capital -0.2. Turnover to fixed assets  
(cost of sales) - 1.2. Capital gearing ratio - 0.6. Fixed assets to  
Net worth - 1.25. Sales for the year Rs.12,00,000.

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