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 - 2024
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. Explain the functions of Management Accounting.

2. From the following balance sheet extracts, compute trend percentages and comment on the liquidity position of A Ltd. You may take 2018 as the base year.

Particulars	2018	2019	2020	2021	2022
Stock	1,50,000	1,70,000	1,90,000	2,30,000	2,20,000
Debtors	1,40,000	1,20,000	80,000	90,0000	1,00,000
Cash	60,000	50,000	50,000	60,000	90,000
Current Liabilities	3,00,000	3,20,000	3,00,000	2,80,000	2,40,000

3. List out any five benefits of ratio analysis.

4. Calculate Gross Profit Ratio from the following figures:

Particulars	₹
Sales	10,00,000
Sales return	1,00,000
Opening Stock	2,00,000
Purchases	6,00,000
Purchase return	1,50,000
Closing stock	65,000

5. Differentiate between forecasts and budgets.

6. You are required to prepare a production budget for the half year ending June 2020 from the following information:

Product	Budgeted Sales Quantity (units)	Actual Stock on 31.12.2019 (units)	Desired Stock on 30.06.2020 (units)
S	20,000	4,000	5,000
T	50,000	6,000	10,000

7. The fixed expenses of an industrial concern amount to Rs.1,80,000. Its variable cost per unit is Rs.29 and selling price is Rs.44 per unit. Calculate the PV Ratio.

8. Calculate Break Even Point from the following:
Sales 1,000 units @ Rs.10 each Rs.10,000
Variable Cost – Rs.6 per unit
Fixed Cost – Rs.8,000

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Section C

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

9. Differentiate between Cost and Management Accounting.

10. Sudeesh & Co. Ltd., Furnishes its balance sheet for the years 2021 and 2022 and requests you to prepare a comparative balance sheet for those years.

Particulars	**2021**	**2022**	**Particulars**	**2021**	**2022**
Equity share capital	80,000	80,000	Land & Buildings	80,000	74,000
8% Debentures	80,000	90,000	Plant & Machinery	60,000	54,000
Retained Earnings	40,000	49,000	Furniture	20,000	28,000
Sundry creditors	50,000	70,000	Inventory	40,000	80,000
Bills Payable	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
	2,60,000	3,04,000		2,60,000	3,04,000

11. Analyse the limitations of ratio analysis.

12. Quick Products Ltd., sells two products X and Y in two divisions North and South. The following were the budgeted and actual sales for the year 1999.

	Budget				**Actual**			
	North		**South**		**North**		**South**	
	Units	**Rs. Per Unit**	**Units**	**Rs. Per Unit**	**Units**	**Rs. Per Unit**	**Units**	**Rs. Per Unit**
X	500	180	300	180	600	180	400	180
Y	300	430	200	430	200	430	150	430

For the year 2000, the board of directors has approved the proposal of sales department to increase the price of X to Rs.200 and decrease the price of Y to 400. The sales estimates from the divisional managers were as follows:

North: X: 800 units; Y: 500 units

South: X: 600 units; Y: 300 units

An intensive advertising campaign proposed by advertising consultants is expected to result in additional sales of 20% of each product in each division over the estimated sales. Prepare the sales budget for the year 2000 and present it together with the budgeted and actual sales for 1999.

II - Compulsory question $(1 \times 10 = 10$ Marks)

13. A company is considering expansion. Fixed costs amount to Rs.4,20,000 and are expected to increase by Rs.1,25,000 when plant expansion is completed. The present plant capacity is 80,000 units a year. Capacity will increase by 50% with the expansion. Variable costs, currently Rs.6.80 per unit are expected to go down by Re.0.40 per unit with the expansion. The current selling price is Rs.16 per unit and is expected to remain the same under each alternative.
What are the break even points under either alternative? Which alternative is better and why?

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