

LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034



B.Sc.DEGREE EXAMINATION –MATHEMATICS

SECOND SEMESTER – APRIL 2018

17/16UCO2AL01– ACCOUNTING FOR DECISION MAKING

Date: 28-04-2018

Dept. No.

Max. : 100 Marks

Time: 01:00-04:00

Part – A

Answer ALL the questions

(10 X 2=20)

1. What is Accounting?
2. Write short note on: Real Assets.
3. Define Partnership.
4. What is Sacrificing Ratio?
5. Find out Operating Ratio: Cost of Goods sold Rs. 1,80,000. Other Operating expenses Rs. 30,000.
Net profit Rs. 3,00,000
6. List out any two limitations of Ratio Analysis.
7. Calculate work cost:
Factory Expenses Rs. 700; Office Expenses Rs. 300
Selling Expenses Rs. 900; Material Consumed Rs. 3,400
8. What is Break Even Point?
9. What is Direct Material?
10. Ascertain Contribution:
Sales Rs. 2,50,000; Marginal Cost Rs. 1,00,000; Fixed Cost Rs. 50,000

Part- B

Answer any FOUR questions

(4 X 10=40)

11. Explain the different methods of treating goodwill on the admission of a new partner.
12. Define Cost Sheet. Explain the purpose of Cost Sheet.
13. What is a Partnership Deed? Describe its contents.

14. Journalise the following transaction:

1	Purchased goods for cash	Rs. 10,000
2	Purchase stationery for cash	Rs. 500
3	Good sold to Jane for cash	Rs. 3,000
4	Good sold to James	Rs. 2,000
5	Paid Rent	Rs. 500
6	Received interest	Rs. 1,500
7	Installation charges for machines	Rs. 1,700
8	Paid Salary	Rs. 7,500
9	Cash received from James (Full Settlement)	Rs. 1,900
10	Advertisement charges paid	Rs. 2,400

15. A and B are partners sharing profits and losses in the ratio of 5: 3. They admit C as a partner. C acquires his share $\frac{4}{20}$ from A and $\frac{2}{20}$ from B. find out

- New profit Sharing ratio
- Sacrificing ratio

16. Calculate the following Ratios

- Gross profit ratio
- Net profit ratio
- Return on total assets Ratio
- Inventory turnover ratio
- working capital turnover ratio

	Rs.
Sales	25,20,000
Cost of sales	19,20,000
Net profit	3,60,000
Inventory	8,00,000
Other current assets	7,60,000
Fixed assets	14,40,000
Net worth	15,00,000
Debt	9,00,000
Current liabilities	6,00,000

17. The following information relates to a company for two year

Period	Sales (Rs.)	Profit (Rs.)
2016	1,20,000	9,000
2017	1,40,000	13,000

Find out:

- Profit volume ratio
- Fixed cost
- Breakeven point for sales
- Profit when sales are Rs. 1,00,000
- Margin of safety at a profit of Rs. 15,000

Part- C

Answer any TWO questions

(2 X 20=40)

18. Prepare a Balance sheet with as many details as possible from the following information:

Gross profit Ratio	20%
Debtors Turnover	6 times
Fixed assets to net worth	0.80
Reserve to capital	0.50
Current ratio	2.50
Liquid ratio	1.50
Net Working Capital	Rs. 3,00,000
Stock turnover ratio	6 times

19. From the following information prepare a cost sheet for the month of Dec. 2015.

Stock on hand 1st Dec. 2015	Rs.
Raw materials	25,000
Finished Goods	17,300
Stock on hand 31st Dec. 2015	
Raw materials	26,200
Finished Goods	15,700
Purchase of raw materials	21,900
Carriage on purchase	1,100
Work-in-progress 1.12.2015 at work cost	8,200
Work-in-progress 31.12.2015 at work cost	9,100
Sale of finished goods	72,300
Direct wages	17,200
Non-Productive wages	800
Direct expenses	1,200
Factory Overheads	8,300
Administrative Overheads	3,200
Selling and distribution overheads	4,200

20. Prepare a Trading and Profit & Loss account for the year ended 31st December 2017 and a Balance Sheet as on that date from the following Trial Balance of Mr. Rehman.

	Rs.		Rs.
Drawings	45,000	Capital	1,60,000
Goodwill	90,000	Bills payable	35,000

Buildings	60,000	Creditors	70,000
Machinery	40,000	Purchase return	2,650
Bills receivable	6,000	Sales	2,18,000
Opening stock	40,000		
Purchases	51,000		
Wages	26,000		
Carriage outwards	500		
Carriage inwards	1,000		
Salaries	35,000		
Rent	3,000		
Discount	1,100		
Repairs	2,300		
Bank	25,000		
Cash	1,600		
Debtors	45,000		
Bad debts	1,200		
Sales return	2,000		
Furniture	6,000		
Advertisement	3,500		
General expenses	450		
	4,85,650		4,85,650

Adjustment:

- a) Closing stock was Rs. 35,000
- b) Depreciation on machinery and furniture by 10%
- c) Outstanding wages Rs. 1,500
- d) Prepaid advertisement Rs. 500
- e) Create 5% on debtors for bad debts as provision.

21. On 1st January 2017, Kumar and Komathi entered into partnership and contributed Rs.80,000 and Rs.60,000 respectively. They share profits and losses in the ratio of 3:2. Komathi is to be allowed a salary of Rs. 16,000 p.a. Interest on capital is to be allowed 5% p.a. and 5% interest is to be charged on drawings. During the year Kumar withdrew Rs. 12,000 and KomathiRs. 24,000, interest being Kumar Rs. 280 and KomathiRs. 200. Profit in 2017 before the above noted adjustment was Rs. 42,320. Show the distribution of profits between the partners and prepare

i) Fluctuation Capital

ii) Fixed Capital
