

**LOYOLA COLLEGE (AUTONOMOUS), CHENNAI – 600 034**



**U.G. DEGREE EXAMINATION – ALLIED**

**THIRD SEMESTER – APRIL 2023**

**16/17/18UCO3AL02 – ACCOUNTING FOR ECONOMISTS**

Date: 10-05-2023

Dept. No.

Max. : 100 Marks

Time: 01:00 PM - 04:00 PM

**SECTION – A**

Answer **ALL** the Questions

**(10 X 2=20)**

1. How will you disclose the following items in the Balance Sheet of a company;
  - (i) Current assets, inventory
  - (ii) Contingent liabilities
  - (iii) Shareholders' Funds, Reserve and Surplus
  - (iv) Fixed Assets, Intangible Assets
2. Write a short note on "share holders" fund.
3. From the following figure, Calculate Economic Ordering Quantity and number of orders to be placed in each year.

Annual consumption of material 6000 units  
Cost of buying per order Rs 60  
Storage and carrying cost 10 % on average inventory  
Cost per unit is Rs 20
4. List out the benefits of material control.
5. Ascertain Bonus under Halsey Plan:

Standard Time :15 Hrs  
Actual Time :10 Hrs  
Time Rate: Rs 2 per hour
6. Define overhead?
7. State the basis of apportionment of the following service department expenses.

Rent, Rates and taxes  
Depreciation  
Supervision
8. How can you calculate Fixed cost through Break Even Analysis.
9. How do you ascertain Cash from operations?
10. Sales 4,00,000  
Variable Cost 3,00,000  
Fixed Cost Rs 40,000  
What is the P.V.Ratio?

**SECTION - B**

Answer any **FOUR** questions

**(4 X 10 = 40)**

11. Explain the various uses and limitations of financial statements of a company.
12. Two materials, X and Y, are used as follows:

Minimum usage	-	150 units per week each
Maximum usage	-	450 units per week each
Normal usage	-	300 units per week each

Re-Ordering quantity: X - 1200 units and Y - 1000 units  
Re- ordering period: X - 2 to 4 weeks

Y - 3 to 6 weeks

Calculate for each material:

(a) Minimum level (b) Maximum level and (c) Re-Ordering level d) Average stock level.

- 13 From the following particulars, prepare stores ledger by adopting simple average method of pricing of material issues.

Date	Receipts	Issues
2010 Jan 1	300 units at Rs 10 per unit	
10	200 units at Rs 12 per unit	
12	400 units at Rs 11 per unit	
15		250 units
16		150 units
18	200 units at Rs 14 per unit	
20		300 units
22	300 units at Rs 15 per unit	
25	100 units at Rs 16 per unit	
27		200 units
31		100 units

14. a) Ragavendra metal company gives the following information:

No. of workers on 1-1-2015 : 200

No. of Workers on 31-12-2015 : 240

No. of Workers resigned : 20

No. of workers discharged : 5

Calculate labour turnover by applying ;

- Separation method
- Replacement method
- Flux method

- b) Calculate the earnings of the workers X and Y under Taylor's differential piece rate system from the following details:

Standard time per unit = 15 minutes

Normal piece rate per unit is Rs 2

Differentials to be used 80% and 120%

In a particular day of 8 hours, worker X produced 28 units and worker Y produced 35 units.

15. From the following particulars, Calculate Profit Volume Ratio B.E.P, Margin Of Safety.

Sales Rs 2,00,000

Variable cost Rs 1,20,000

Fixed overheads Rs 50,000

Net Profit Rs 30,000

- 16 Draw the format of Cash Flow Statement.

17. A Factory has three service departments A, B and C and two production departments X and Y. The following are the expenses allocated and apportioned to the departments as per primary distribution summary.

A (Rs)	B (Rs)	C (Rs)	X (Rs)	Y (Rs)
10000	8000	12000	30000	40000

The following additional information is also available on the basis of a detailed analysis made.

	Service departments			Production departments	
	A	B	C	X	Y
A's service used	-	20%	30%	30%	20%
B's service used	-	-	40%	30%	30%
C's service used	-	-	-	60%	40%

Prepare a statement showing apportionment of service department overheads under the step method.

### SECTION C

Answer any **TWO** questions

(2 X 20 = 40)

18. Draw the format of Income statement and Balance sheet of a company.
19. The sales turnover and profit during two years were as follows :

Year	Sales (Rs )	Profit (Rs)
2021	1,40,000	15,000
2022	1,60,000	20,000

Calculate:

- P.V.Ratio
  - Break - Even Point
  - fixed Expenses
  - Sales required to earn a profit of Rs 40,000
20. Ragav Ltd., has three production departments X, Y and Z and two service departments A and B. The following figures are extracted from the records of the company:
- Rent and rates Rs 5000
  - Indirect Wages Rs 1500
  - Depreciation of Machinery Rs 10000
  - General Lighting Rs 600
  - Power Rs 1500
  - Sundries Rs 10000

Following further details are available:

	Total	X	Y	Z	A	B
Floor space in square feet	10000	2000	2500	3000	2000	500
Light points	60	10	15	20	10	5
Direct wages(Rs)	10000	3000	2000	3000	1500	500
H.P of machines	150	60	30	50	10	-
Value of machinery(Rs)	250000	60000	80000	100000	5000	5000

Apportion the cost to various departments on the most equitable basis by preparing a primary departmental distribution summary

21. Draw a stores ledger card recording the following transactions under a) FIFO and b)LIFO

Method

2020

- Feb 1 opening stock 1000 units at Rs 26 each.  
5 Purchased 500 units at Rs 24.50 each.  
6 Issued 750 units.  
10 Purchased 1500 units at Rs 24 each.  
12 Issued 1,100 units.  
15 Purchased 1000 units at Rs 25 each  
17 Issued 500 units  
18 Issued 300 units.  
25 Purchased 1,500 units at Rs 26 each.  
28 Issued 1,500 units.

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