

STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI – 86
DEPARTMENT OF COMMERCE – SHIFT II
END SEMESTER EXAMINATION– APRIL 2021
ACCOUNTING FOR BUSINESS

Subject Code: 19CM/AC/AB25
Class: I B.COM

Marks: 50
Time: 90 Minutes

SECTION - A

ANSWER ALL THE QUESTIONS

(3 x 2= 6)

1. Explain the meaning of Accounting.
2. Prepare Cost Sheet from the following:
Direct Material Consumed Rs. 25,000; Labour Rs. 12,000; Direct Expenses Rs. 14,000; Factory Overheads 20% of Prime Cost.
3. A project costs ₹ 10,00,000 and yields an annual cash flow of ₹ 2,50,000 for 8 years. Calculate its payback period.

SECTION - B

ANSWER ANY THREE.

(3 x 8= 24)

4. Journalise the following transaction of M/s Rajagopal and sons:

January 2019	Particulars	Rs
1st	Purchased goods for Cash	12,590
3rd.	Paid Salary to Rajesh.	13,460
6th	Sold goods to Jill for cash.	9,500
12th	Purchased Machinery on Credit from Ramesh.	1,00,000
17th	Rent received from Ram.	15,250
20th	Cash withdrawn for personal use.	7,520
24th	Goods returned by Jill	1,500
31st	Sold goods to Prem on credit.	10,340

5. Hale Ltd. is carrying business of purchase and sale of an item. Selling price is ₹ 82 and purchase price is ₹ 64. During Dec 2018, Jan 2019, Feb 2019 and Mar 2019, its sales were 400 units, 500 units, 600 units and 700 units respectively. 10 % of sales are on cash basis and the balance on one month's credit basis. Its office expenses are ₹ 4000 per month. Cash balance on 1.1.2019 ₹ 12,000. At the end of each month the stock was nil. Prepare a cash budget for the months of Jan, Feb and March 2019.

6. An investment of ₹ 20,000 yields the following returns:

Year	1	2	3	4	5
CFAT	6,000	5,000	3,000	2,000	1,000

The cost of Capital is 10%. Is the investment desirable? Discuss it according to Net Present Value Method assuming the P.V factors for 1st, 2nd, 3rd, 4th, and 5th year- 0.909, 0.826, 0.751, 0.683 and 0.620 respectively.

7. Joy Ltd. presents the following results for one year. Prepare Marginal Cost Statement and Calculate the P/V Ratio, BEP and Margin of Safety.

	₹
Sales	4,00,000
Variable Costs	2,40,000
Fixed Cost	1,00,000
Net Profit	60,000

SECTION-C

ANSWER ANY ONE.

(1 x 20 = 20)

8. From the following Trial Balance as on 31st December 2020, Prepare Trading and Profit and Loss Account and a Balance Sheet as on date.

Particulars	Amount (Rs)
Salaries	55,000
Rent paid	13,000
Cash in hand	10,000
Debtors	4,00,000
Trade Expenses	6,000
Purchases	2,50,000
Machinery	25,000
Bank balance	56,000
Creditors	95,000
Sales	3,20,000
Capital	3,00,000
Bank Loan	1,00,000

Adjustments:

- Closing Stock amounted to Rs. 90,000
- Salaries Outstanding Rs 5,000
- Rent paid in advance Rs. 1,000
- Depreciate Machinery by 10%.

9. From the following Balance Sheet of Swadeshi Polytex Ltd. For the Year ended 31 st December 2019 and 2020, Prepare a Comparative Balance Sheet Statement and a Common size Balance Sheet Statement.

BALANCE SHEET AS ON 31ST DECEMBER

(In Crores of Rs.)

Liabilities	2019	2020	Assets	2019	2020
Bills Payable	50	75	Cash	100	140
Sundry Creditors	150	200	Debtors	200	300
Tax Payable	100	150	Stock	200	300
6 % Debentures	100	150	Land	100	100
6% Preference Share Capital	300	300	Building	300	270
Equity Capital	400	400	Plant	300	270
Reseves	200	245	Furniture	100	140
	1,300	1,520		1,300	1,520
