

**STELLA MARIS COLLEGE (AUTONOMOUS), CHENNAI - 600 086**  
**(For candidates admitted during the academic year 2019-2020 and thereafter)**  
**SUBJECT CODE: 19BA/MC/AM14**

**B.B.A. DEGREE EXAMINATION DECEMBER 2020**  
**BUSINESS ADMINISTRATION**  
**FIRST SEMESTER**

**COURSE : MAJOR – CORE**

**PAPER : ACCOUNTING FOR MANAGERS**

**TIME : 90 MINUTES**

**MAX. MARKS: 50**

**SECTION A**

**(3x2=6)**

**Answer ALL questions**

1. Mention any two Objectives of Accounting standards
2. Compute the cost of goods sold.

	Rs.
Opening Stock	75000
Purchases	185000
Freight	13100
Closing stock	101000

3. The sales turnover and profit during two years were as follows

Year	Sales Rs.	Profit Rs.
2017	140000	15000
2018	160000	20000

Calculate P/V Ratio.

**SECTION B**

**(3x8=24)**

**Answer any THREE questions.**

4. The following are the Income Statements of Malar Ltd., for the year ending 31st Dec. 2018 and 2019. Prepare a Comparative Income Statement for the two years.

Particulars	2018 Rs.	2019 Rs.		2018 Rs.	2019 Rs.
To Cost of Sales	240000	350000	By sales	400000	500000
To Gross Profit c/d	<u>160000</u>	<u>150000</u>			
	400000	500000		400000	500000
To Operating expenses:					
Administration	25000	30000	By gross profit b/d	160000	150000
Selling	15000	20000	By Interest on		
Distribution	10000	10000	Investments	20000	50000
To					
Non-operating expenses					
Finance	20000	20000			
Goodwill written off	10,000	-			

To Net profit	100000	120000		
	180000	200000	180000	200000

5. From the following compute the value of stock

Sales	Rs.1000000
Gross profit ratio	25%
Stock turnover ratio	10
Closing stock is more than opening stock by Rs.25000	

6. Rajan Ltd presents the following results for one year. Calculate the P/V Ratio, BEP and Margin of Safety

Sales	200000
Variable costs.	120000
Fixed cost	50000
Net profit	30000

7. From the following particulars, Calculate

- Current ratio
- Liquid ratio
- Debt-equity ratio
- Proprietary ratio

Balance sheet			
Liabilities	Rs.	Assets	Rs.
Share capital	500000	Fixed assets	1400000
Reserves	300000	Stock	500000
6% debentures	1100000	Debtors	200000
Bank overdraft	100000	Cash	100000
Creditors	200000		
	2200000		2200000

### SECTION C

Answer any ONE question

(1x20=20)

8. Draw up a flexible budget for production at 75% and 100% capacity on the basis of the following data for a 50% activity.

	Per unit(Rs)
Materials	100
Labour	50
Variable expenses(direct)	10
Administrative expenses (50% fixed)	40000
Selling and Distribution expenses (60% fixed)	50000
Present production (50% activity)	1000 units

9. Surya Ltd furnishes the following Balance Sheets for the years ending 31 Dec. 2015 and 2016. Prepare a cash flow statement for the year ended 31.12.2016

Balance Sheets

Liabilities	2015	2016	Assets	2015	2016
	Rs.	Rs.		Rs.	Rs.
Equity Share Capital	300000	400000	Goodwill	115000	90000
8% redeemable preference share capital	150000	100000	Land & Building	200000	170000
General Reserve	40000	70000	Plant	80000	200000
Profit and Loss a/c	30000	48000	Debtors	160000	200000
Proposed dividend	42000	50000	Stock	77000	109000
Creditors	55000	83000	Bills receivable	20000	30000
Bills payable	20000	16000	Cash in hand	15000	10000
Provision for taxation	40000	50000	Cash at bank	10000	8000
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	677000	817000		677000	817000

**Additional information:**

- a. Depreciation of Rs.10000 and Rs.20000 have been changed on plant account and land & buildings account respectively.
- b. An interim dividend of Rs.20000 has been paid in 2016
- c. Income tax Rs.35000 was paid during the year 2016

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