STELLA MARIS COLLEGE (AUTONOMOUS) CHENNAI – 86
(For candidates admitted from the academic year 2023 – 2024 and thereafter)

B.B.A DEGREE EXAMINATION NOVEMBER 2024
BUSINESS ADMINISTRATION
FIRST SEMESTER

COURSE	**:**	**MAJOR CORE**
PAPER	**:**	**ACCOUNTING FOR MANAGERS**
COURSE CODE	**:**	**23BA/MC/AM14**
TIME	**:**	**3 HOURS**

MAX. MARKS: 100

Q. No.	SECTION A Answer all the questions: (5x 2=10)	CO	KL
1)	What is cashflow statement?	CO 1	K1
2)	Outline the disclosure requirements of AS-1.	CO 1	K1
3)	Find out Operating Ratio: Cost of goods sold Rs 1,80,000; Other operating expenses Rs 30,000; Net Sales Rs 3,00,000	CO 1	K1
4)	Calculate BEP from the following particulars: Fixed expenses Rs 1,50,000; Variable cost per unit Rs 10; Selling price per unit Rs.15.	CO 1	K1
5)	Fixed cost at 50% activity level is Rs 20,000. What will be the fixed cost at 60% and 80% activity levels?	CO 1	K1
Q. No.	**SECTION B** **Answer any four questions: (4 x5=20)**	**CO**	**KL**
6)	Enumerate on the users of the Accounting Information System.	CO 2	K2
7)	The following information determines the maximum remuneration available to a full-time director of a manufacturing company. The profit & loss account of a company showed a net profit of Rs 40,00,000 after making into account the following items. a) Depreciation (including special depreciation of Rs.40,000)-Rs 1,00,000. b) Provision for Income tax –Rs.2,00,000 c) Donation to political parties-Rs.50,000 d) Ex-gratia payment to worker –Rs.10,000 e) Capital profit on sale of assets –Rs.15,000	CO 2	K2
8)	Ascertain operating profit before working capital changes from the following details: Net profit before Tax and Extraordinary items Rs.2,00,000 Goodwill written off Rs.20,000 Discount on issue of shares written off Rs.10,000 Depreciation charged on Fixed Assets Rs.65,000 Profit on sale of equipment Rs.10,000 Loss on sale of long-term investments Rs.8,000 Preliminary expenses written off Rs.25,000	CO 2	K2

Q. No.	Question	CO	KL
9)	Zion Ltd., sells goods on cash as well as on Credit basis. The following information is extracted from their books of accounts for 2022. **Particulars** / **Amount** Total Sales: 1,00,000 Cash sales (included in the above): 20,000 Sales returns: 7,000 Total debtors for sales as on 31-12-2022: 9,000 Bills receivables as on 31-12-2022: 2,000 Provision for doubtful debts: 1,000 Trade creditors as on 31-12-2022: 10,000 Compute Debtors Turnover Ratios.		
10)	From the following information relating to Kumar Ltd., you are required to find out a) Break-even point b) Number of units that must be sold to earn a profit of Rs. 60,000, per year c) Number of units that must be sold to earn a net income of 10% on sales. Sales price-Rs.20 per unit Variable cost –Rs.14 per unit Fixed cost- Rs.79,200		
11)	Enumerate the objectives of Budgetary Control.		
Q. No.	**SECTION C** **Answer the following questions: (4x 10=40)**	**CO**	**KL**
12)	a) From the following P&L A/C you are required to compute cash from operating activities.	CO 3	K3

Profit and Loss Account
For the year ending 31-12-2023

Particulars	Rs.	Particulars	Rs.
To Salaries	5,000	By Gross profit	25,000
To Rent	1,000	By profit on sale of land	5,000
To Depreciation	2,000	By Income tax refund	3,000
To Loss on sale of plant	1,000		
To Goodwill written off	4,000		
To Proposed dividends	5,000		
To Provision for taxation	5,000		
To Net Profit	10,000		
Total	**33,000**	**Total**	**33,000**

(OR)

	b) Following information has been made available from the cost records of Automobile Ltd manufacturing spare parts:	CO 3	K3

Particulars	Per unit
Direct materials	
X	Rs.8
Y	Rs.6
Direct Wages	
X	24 hours @ 25 paise per unit
Y	16 hours @ 25 paise per unit
Variable overheads 150% of direct wages	
Fixed overheads (total)	Rs.750
Selling price	
X	Rs.25
Y	Rs.20

The directors want to be acquainted with the desirability of adopting any one of the following alternative sales mixes in the budget for the next period.

a) 250 units of X and 250 units of Y
b) 400 units of Y only
c) 400 units of X and 100 units of Y
d) 150 units of X and 350 units of Y

State which of the alternative sales mixes you would recommend to the management.

13)	a) From the following balance sheet extracts, Compute Trend Percentages of X Ltd. You may take 2010 as base year.	CO 3	K3

Particulars	2010	2011	2012	2013	2014
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	90,000	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

(OR)

	b) A manufacturing unit introduced a new variety of a product in three grades X, Y and Z, each cost respectively, Rs. 15, Rs. 10 and Rs. 7.50. The wholesalers and retailers have to be given at least 30% discount. The estimated fixed cost would be around Rs. 70,000 and variable cost per unit would be Rs. 3.50. Calculate break even point for all three grades.	CO 3	K3

14)	a) Show the following items in the balance sheet of Amba Ltd, as on 31st March 2017, Prepare a Balance sheet statement as per schedule III.	CO 4	K4

Particulars	Rs
8% Debentures	10,00,000
Equity share capital	50,00,000
Securities premium	20,000
Preliminary expenses	40,000
Statement of profit and Loss (cr)	1,50,000
Loose tools	20,000
Bank Balance	60,000
Cash in hand	38,000

(OR)

b) Following is the P&L A/c of Sankar Ltd, for the year ended 31-12-2022 and 31-12-2023.You are required to prepare a common size income statement.

Profit and Loss Account

Particulars	**2022**	**2023**	**Particulars**	**2022**	**2023**
To cost of goods sold	300	375	By Net Sales	400	500
To Operating expenses:					
Administrative	10	10			
Selling	15	20			
Net profit	75	95			
	400	**500**		**400**	**500**

15)	a) With the following data for 60% activity, prepare a budget at 80% activity.	CO 4	K4

Particulars	Amount
Production at 60% capacity	600 units
Materials	Rs 100 per unit
Labor	Rs 40 per unit
Direct expenses	Rs 10 per unit
Factory expenses	Rs 40,000 (40% fixed)
Administrative expenses	Rs 30,000 (60% fixed)

(OR)

b) XYZ Ltd. sells a popular brand 'Peps' in the market whose quarterly estimated sales for 2022 are as follows:

Q_1–20,000 units	Q_2-22,000 units	Q_3-24,000 units	Q_4-25,000 units

The fixed sale price per unit is Rs. 10. Usually, sales returns are 2% of the gross sales and discounts amount to 3% of the net sales. Prepare the sales budget showing the net sales for each quarter and the total sales for the year 2022.

Q. No.	SECTION D Answer any two Questions: (2 x 15=30)	CO	KL
16)	Mahesh Ltd. Furnish you the following Balance Sheets for the years ending 31st December 2022-23. You are required to prepare a cash flow statement for the year ended 31st December 2023.	CO 5	K5

Balance Sheet

Liabilities	2022	2023	Assets	2022	2023
Equity Share Capital	20,000	20,000	Goodwill	2,400	2,400
General reserve	2,800	3,600	Land	7,800	7,200
Profit & Loss A/c	3,200	2,600	Building at cost	7,900	8,000
Sundry Creditors	1,600	1,080	Investments (Long term)	2,000	2,200
Provision for dep on buildings	500	800	Inventories	6,000	4,680
Outstanding expenses	240	160	A/C's receivables	4,000	4,440
Provision for tax	3,000	3,600	Bank Balance	1,320	3,040
Bills payable	80	120			
Total	**31,420**	**31,960**	**Total**	**31,420**	**31,960**

Q. No.		CO	KL
17)	From the following data forecast the cash position at the end of April, May and June 2020.	CO 5	K5

Month 2020	Sales Rs	Purchases Rs	Wages Rs	Sales expenses
February	1,20,000	80,000	10,000	7,000
March	1,30,000	98,000	12,000	9,000
April	70,000	1,00,000	8,000	5,000
May	1,16,000	1,03,000	10,000	10,000
June	85,000	80,000	8,000	6,000

Further information:

Sales at 10% realized in the month of sales. Balance equally realized in two subsequent months.

Purchase: Creditors are paid in the month following the month of supply.

Wages:20% paid in arrears in the following month

Sundry expenses paid in the month itself

Income tax Rs.20,000 payable in June.

Dividend Rs.12,000 payable in June.

Income from investments Rs.2,000 received half -yearly in March and September.

Cash balance on hand 1-4-2020 Rs.40,000.

18)	Zen Ltd furnishes its balance sheet for the years 2021 and 2022, Prepare Comparative Balance sheet for those years.	CO 5	K5

Liabilities	2021	2022	Assets	2021	2022
Equity share capital	80,000	80,000	Land and Buildings	80,000	74,000
8% Debentures	80,000	90,000	Plant	60,000	54,000
Retained Earning	40,000	49,000	Furniture	20,000	28,000
Sundry Creditors	50,000	70,000	Inventory	40,000	60,000
Bills Payable	10,000	15,000	Debtors	40,000	80,000
			Cash	20,000	8,000
Total	**260000**	**304000**	**Total**	**260000**	**304000**

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