

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

B.COM. DEGREE EXAMINATION, APRIL 2026
BANKING, FINANCE AND ENTREPRENEURSHIP
FOURTH SEMESTER

COURSE : MAJOR-CORE
PAPER : ACCOUNTING FOR DECISION MAKING
SUBJECT CODE : 23BF/MC/AD43
TIME : 3 HOURS

MAX. MARKS: 100

SECTION A				
Q. No.	Answer all questions (theory answers not exceeding 50 words)	(5 x 2 =10)	CO	KL
1.	Define marginal costing.		1	K1
2.	State the objectives of the analysis and interpretation of the financial statement.		1	K1
3.	Calculate labour cost variance from the following Standard hours:80 Rate : Rs.6 per hour Actual hours :100 Rate : Rs.8 per hour.		1	K1
4.	Find out debt equity ratio for 2024 Long term debt 31.12.2024 – Rs.2,50,000 Share capital on 31.12.2024- Rs.4,00,000 Retained earnings on 31.12.2024 – Rs.1,00,000.		1	K1
5.	From the following information, find out P/V ratio and Margin of safety: Sales – Rs.10,00,000 Variable cost – Rs.4,00,000 Fixed cost – Rs.4,00,000.		1	K1
SECTION B				
Q. No.	Answer any four questions (theory answers not exceeding 150 words)	(4 x 5 = 20)	CO	KL
6.	What methods are available for financing international trade transactions?		2	K2
7.	Calculate breakeven point from the following: Sales 1,000 units at Rs.10each at Rs.10,000 Variable cost – Rs.6 per unit Fixed cost – Rs.8,000.		2	K2
8.	Calculate the earnings per share from the following information: Net profit before tax Rs.10,00,000 Tax on profit -50% 15% preference share capital (Rs.10 each) – Rs.2,00,000 Equity share capital 4,700 shares of Rs.100 each – Rs.4,70,000.		2	K2
9.	Calculate the creditors turnover ratio and average payment period. Credit purchase in 2024 – Rs.10,00,000 Creditors on 1.1.2024 – Rs.2,00,000 Creditors on 31.12.2024 – Rs.1,00,000 Bills payable on 1.1.2024 – Rs.40,000 Bills payable on 31.12.2024 – Rs.60,000.		2	K2

10.	<p>From the following balance sheet extracts, compute trend percentages. You may take 2020 as the base year.</p> <p style="text-align: right;">(in Rupees)</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Particulars</th> <th style="text-align: center;">2020</th> <th style="text-align: center;">2021</th> <th style="text-align: center;">2022</th> <th style="text-align: center;">2023</th> <th style="text-align: center;">2024</th> <th style="text-align: center;">2025</th> </tr> </thead> <tbody> <tr> <td>Stock</td> <td style="text-align: right;">1,50,000</td> <td style="text-align: right;">1,70,000</td> <td style="text-align: right;">1,90,000</td> <td style="text-align: right;">2,30,000</td> <td style="text-align: right;">2,20,000</td> <td style="text-align: right;">2,00,000</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">1,40,000</td> <td style="text-align: right;">1,20,000</td> <td style="text-align: right;">80,000</td> <td style="text-align: right;">90,000</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Cash</td> <td style="text-align: right;">60,000</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">60,000</td> <td style="text-align: right;">90,000</td> <td style="text-align: right;">1,00,000</td> </tr> <tr> <td>Current Liabilities</td> <td style="text-align: right;">3,00,000</td> <td style="text-align: right;">3,20,000</td> <td style="text-align: right;">3,00,000</td> <td style="text-align: right;">2,80,000</td> <td style="text-align: right;">2,40,000</td> <td style="text-align: right;">2,00,000</td> </tr> </tbody> </table>	Particulars	2020	2021	2022	2023	2024	2025	Stock	1,50,000	1,70,000	1,90,000	2,30,000	2,20,000	2,00,000	Debtors	1,40,000	1,20,000	80,000	90,000	1,00,000	1,00,000	Cash	60,000	50,000	50,000	60,000	90,000	1,00,000	Current Liabilities	3,00,000	3,20,000	3,00,000	2,80,000	2,40,000	2,00,000	2	K2
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11.	<p>Calculate material cost and material price variance from the following data:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: center;">Standard</th> <th style="text-align: center;">Actual</th> </tr> </thead> <tbody> <tr> <td>Quantity</td> <td style="text-align: center;">400 kgs</td> <td style="text-align: center;">460 kgs</td> </tr> <tr> <td>Price</td> <td style="text-align: center;">Rs.2 per kg</td> <td style="text-align: center;">Rs.1.5 per kg</td> </tr> <tr> <td>Value</td> <td style="text-align: center;">Rs.800</td> <td style="text-align: center;">Rs.690</td> </tr> </tbody> </table>		Standard	Actual	Quantity	400 kgs	460 kgs	Price	Rs.2 per kg	Rs.1.5 per kg	Value	Rs.800	Rs.690	2	K2																							
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Q. No.	Answer the following questions not exceeding 500 words: (4 x 10 =40)	CO	KL																																			
12.	<p>a. Ganesh Bros. sells goods on cash and credit terms and also purchased goods on cash and credit terms. The following particulars are obtained from their books:</p> <p>Total Sales – Rs.5,00,000 Cash Sales – Rs.40,000 Sales returns – Rs.20,000 Debtors at the end – Rs.80,000 Bill receivable at the end Rs.20,000 Reserves for doubtful debts – Rs.1,000 Total purchases – Rs.3,00,000 Cash purchases – Rs.50,000 Purchase returns – Rs.10,000 Creditors at the end – Rs.60,000 Bills payable at the end – Rs.20,000 Reserve for discount on creditors – Rs.2,000 Opening stock – Rs.50,000 Closing stock – Rs.40,000 Gross profit – Rs.1,00,000 Fixed assets – Rs.10,00,000</p> <p>Calculate</p> <ol style="list-style-type: none"> i) Stock turnover ratio ii) Fixed assets turnover ratio iii) Debtors turnover ratio iv) Debtors collection period v) Creditors turnover ratio vi) Creditors payment period <p style="text-align: center;">(OR)</p>	3	K3																																			

	<p>b. You are given the following data for the year 2024 for a factory:</p> <table border="1" data-bbox="261 260 1279 520"> <tr> <td>Output</td> <td>40,000 units</td> </tr> <tr> <td>Fixed expenses</td> <td>Rs.2,00,000</td> </tr> <tr> <td>Variable cost per unit</td> <td>Rs.10</td> </tr> <tr> <td>Selling price per unit</td> <td>Rs.20</td> </tr> </table> <p>How many units must be produced and sold in the year 2025 if it is anticipated that selling price would be reduced by 10%. Variable cost would be Rs.12 per unit and fixed cost to increase by 10%? The factory would like to make a profit in 2025 equal to that of 2024.</p>	Output	40,000 units	Fixed expenses	Rs.2,00,000	Variable cost per unit	Rs.10	Selling price per unit	Rs.20	3	K3																																								
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13.	<p>a. From the following information relating to Palani Bros Ltd., you are required to find out (a) P/V ratio (b) Break-even point (c) Profit (d) Margin of Safety (e) Volume of sales to earn profit of Rs.6,000. Total fixed costs Rs.4,500 Total variable cost Rs.7,500 Total sales Rs.15,000.</p> <p style="text-align: center;">(OR)</p> <p>b. The budgeted and actual sales of a company producing and selling a single product are as follows: Budgeted sales 25,000 units at Rs.6 per unit Actual sales 30,000 units at Rs.4 per unit Calculate (a) Sales value variance (b) Sales price variance (c) Sales volume variance.</p>	3	K3																																																
14 .	<p>a. Dhandapani & Co, Ltd furnishes the following Balance sheets for the years 2023 and 2024.Prepare common -size balance sheets.</p> <table border="1" data-bbox="261 1346 1312 1661"> <thead> <tr> <th>Liabilities</th> <th>2023 (Rs.)</th> <th>2024 (Rs.)</th> <th>Assets</th> <th>2023 (Rs.)</th> <th>2024 (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Share Capital</td> <td>2,00,000</td> <td>3,00,000</td> <td>Buildings</td> <td>4,00,000</td> <td>4,00,000</td> </tr> <tr> <td>Reserves</td> <td>6,00,000</td> <td>7,00,000</td> <td>Machinery</td> <td>6,00,000</td> <td>10,00,000</td> </tr> <tr> <td>10% debentures</td> <td>2,00,000</td> <td>3,00,000</td> <td>Stock</td> <td>2,00,000</td> <td>3,00,000</td> </tr> <tr> <td>Share capital</td> <td>3,00,000</td> <td>5,00,000</td> <td>Debtors</td> <td>2,00,000</td> <td>2,50,000</td> </tr> <tr> <td>Bills payable</td> <td>1,00,000</td> <td>80,000</td> <td>Cash at bank</td> <td>1,00,000</td> <td>50,000</td> </tr> <tr> <td>Tax payable</td> <td>1,00,000</td> <td>1,20,000</td> <td></td> <td></td> <td></td> </tr> <tr> <td></td> <td>15,00,000</td> <td>20,00,000</td> <td></td> <td>15,00,000</td> <td>20,00,000</td> </tr> </tbody> </table> <p style="text-align: center;">(OR)</p> <p>b. From the following data, calculate labour variances: Budgeted labour for completing Job X: 8 skilled workers at Rs.10 per hour for 20 hours 12 unskilled workers at Rs.8 per hour for 20 hours Actual labour for completing job X: 12 skilled workers at Rs.11 per hour for 20 hours 13 unskilled workers at Rs.7 per hour for 20 hours.</p>	Liabilities	2023 (Rs.)	2024 (Rs.)	Assets	2023 (Rs.)	2024 (Rs.)	Share Capital	2,00,000	3,00,000	Buildings	4,00,000	4,00,000	Reserves	6,00,000	7,00,000	Machinery	6,00,000	10,00,000	10% debentures	2,00,000	3,00,000	Stock	2,00,000	3,00,000	Share capital	3,00,000	5,00,000	Debtors	2,00,000	2,50,000	Bills payable	1,00,000	80,000	Cash at bank	1,00,000	50,000	Tax payable	1,00,000	1,20,000					15,00,000	20,00,000		15,00,000	20,00,000	4	K4
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15 .	<p>a. The following particulars are obtained from the records of a company manufacturing two products P and R</p> <table border="1" data-bbox="306 306 1240 583"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">Per unit</th> </tr> <tr> <th>Product P (Rs.)</th> <th>Product R(Rs.)</th> </tr> </thead> <tbody> <tr> <td>Selling price</td> <td>200</td> <td>400</td> </tr> <tr> <td>Material Cost (Rs.20 per kg)</td> <td>40</td> <td>100</td> </tr> <tr> <td>Direct wages (Rs.6 per hour)</td> <td>60</td> <td>120</td> </tr> <tr> <td>Variable overhead</td> <td>20</td> <td>40</td> </tr> <tr> <td colspan="3">Total fixed overhead is Rs.10,000</td> </tr> </tbody> </table> <p>Comment on profitability of each product when production capacity in hours is the limiting factor.</p> <p style="text-align: center;">(OR)</p> <p>b. Sudeesh & CO., Ltd furnishes its balance sheet for the year 2023 and 2024 and you are required to prepare a comparative balance sheet for those years.</p> <p style="text-align: center;">Balance sheet (in Rupees)</p> <table border="1" data-bbox="258 877 1317 1192"> <thead> <tr> <th>Liabilities</th> <th>2023</th> <th>2024</th> <th>Assets</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Equity Share Capital</td> <td>80,000</td> <td>80,000</td> <td>Land & Buildings</td> <td>80,000</td> <td>74,000</td> </tr> <tr> <td>8% Debentures</td> <td>80,000</td> <td>90,000</td> <td>Plant & Machinery</td> <td>60,000</td> <td>54,000</td> </tr> <tr> <td>Retained earnings</td> <td>40,000</td> <td>49,000</td> <td>Furniture</td> <td>20,000</td> <td>28,000</td> </tr> <tr> <td>Sundry creditors</td> <td>50,000</td> <td>70,000</td> <td>Inventory</td> <td>40,000</td> <td>60,000</td> </tr> <tr> <td>Bills payable</td> <td>10,000</td> <td>15,000</td> <td>Debtors</td> <td>40,000</td> <td>80,000</td> </tr> <tr> <td></td> <td></td> <td></td> <td>Cash</td> <td>20,000</td> <td>8,000</td> </tr> <tr> <td></td> <td>2,60,000</td> <td>3,04,000</td> <td></td> <td>2,60,000</td> <td>3,04,000</td> </tr> </tbody> </table>		Per unit		Product P (Rs.)	Product R(Rs.)	Selling price	200	400	Material Cost (Rs.20 per kg)	40	100	Direct wages (Rs.6 per hour)	60	120	Variable overhead	20	40	Total fixed overhead is Rs.10,000			Liabilities	2023	2024	Assets	2023	2024	Equity Share Capital	80,000	80,000	Land & Buildings	80,000	74,000	8% Debentures	80,000	90,000	Plant & Machinery	60,000	54,000	Retained earnings	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		2,60,000	3,04,000		2,60,000	3,04,000	4	K4
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16.	<p>Answer any two questions: (2 x 15 = 30)</p> <p>From the following information make out a statement of proprietors' funds with as many details as possible:</p> <p>(a) Current Ratio – 2.5</p> <p>(b) Liquidity ratio – 1.5</p> <p>(c) Proprietary ratio (fixed asset / proprietary fund) – 0.75</p> <p>(d) Working capital – Rs.60,000</p> <p>(e) Reserves and surplus Rs.40,000</p> <p>(f) Bak overdraft -Rs.10,000</p> <p>(g) There is no long- term loan or fictitious asset.</p>	5	K5																																																																				

17.	<p>The sales turnover and profit during the two years were as follows:</p> <table border="1" data-bbox="261 306 886 422"> <thead> <tr> <th>Year</th> <th>Sales (Rs.)</th> <th>Profit(Rs.)</th> </tr> </thead> <tbody> <tr> <td>2024</td> <td>1,40,000</td> <td>15,000</td> </tr> <tr> <td>2025</td> <td>1,60,000</td> <td>20,000</td> </tr> </tbody> </table> <p>Calculate:</p> <p>(a) P/V Ratio (b) Break-even point (c) Sales required to earn a profit of Rs.40,000 (d) Fixed expenses and (e) Profit when sales are Rs.1,20,000.</p>	Year	Sales (Rs.)	Profit(Rs.)	2024	1,40,000	15,000	2025	1,60,000	20,000	5	K5																
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2024	1,40,000	15,000																										
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18.	<p>From the following information of product No.888, calculate</p> <p>i. Material Cost variance ii. Material Price variance iii. Material Usage variance iv. Material Mix variance v. Material Subusage variance .</p> <table border="1" data-bbox="261 961 1114 1188"> <thead> <tr> <th>Material</th> <th>Standard Qty. Kgs</th> <th>Standard Price Rs.</th> <th>Actual Qty.(Kg)Rs.</th> <th>Actual Price (Rs.)</th> </tr> </thead> <tbody> <tr> <td>X</td> <td>20</td> <td>5</td> <td>24</td> <td>4.00</td> </tr> <tr> <td>Y</td> <td>16</td> <td>4</td> <td>14</td> <td>4.50</td> </tr> <tr> <td>Z</td> <td>12</td> <td>3</td> <td>10</td> <td>3.25</td> </tr> <tr> <td>Total</td> <td>48</td> <td></td> <td>48</td> <td></td> </tr> </tbody> </table>	Material	Standard Qty. Kgs	Standard Price Rs.	Actual Qty.(Kg)Rs.	Actual Price (Rs.)	X	20	5	24	4.00	Y	16	4	14	4.50	Z	12	3	10	3.25	Total	48		48		5	K5
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