



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

**U.G. DEGREE EXAMINATION – MATHEMATICS, STATISTICS, & ECONOMICS**

THIRD SEMESTER – APRIL 2018

**CO 3204- ACCOUNTING FOR MANAGERS**

Date: 04-05-2018  
Time: 01:00-04:00

Dept. No.

Max. : 100 Marks

**Part - A**

**Answer All questions**

**(10x2= 20 Marks)**

1. What is financial Accounting?
2. Write a short note on 'Factory Cost'.
3. What is cost sheet?
4. State the meaning of Trial Balance.
5. Explain the term 'Budget'.
6. What is Net Profit?
7. List any two advantages of Marginal costing.
8. Calculate the Gross profit from the following figures:

(Rs)

Sales	1,00,000
Purchases	60,000
Sales returns	10,000
Purchase returns	15,000
Opening Stock	20,000
Closing Stock	5,000

9. Ascertain Contribution: Sales Rs. 12, 00,000; P/V ratio 35%.
10. Calculate average collection period from the following:

	Rs.
Credit sales for the year	30,000
Debtors	2,500
Bills receivable	3,000

**Part - B**

**Answer any FOUR questions.**

**(4x10= 40 Marks)**

11. Discuss the advantages and Limitations of management accounting.
12. Explain the different kinds of budget.

13. Prepare a material budget from the following information. Requirement for 100 units of production:

Material	Rate per kg	Product 'X'	Product 'Y'
A	Rs. 40	20kg	40kg
B	Rs.30	10kg	10kg
C	Rs.20	40kg	30kg

Production X – 4,000 units

Production Y- 1,000 units

14. Journalize the following transactions.

- Purchased goods for cash Rs.10,000
- Sold goods to Richa for cash Rs.3,000
- Received commission Rs.200
- Paid advertisement Rs.300
- Cash received from Jack Rs.5,000

15. From the Following information, Calculate Contribution, P/V ratio, Break-even point, Number of units that must be sold to earn a profit of Rs.60,000 per year and 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

16. Prepare Trial Balance from the following

	Rs.
Capital	9,000
Plant	12,000
Purchases	8,000
Sales	12,000
Creditors	8,000
Bank Loan	22,000
Rent outstanding	1,000
Opening stock	2,000
Sales return	4,000
Investment	14,000
Debtors	12,000

17. The balance sheet of XYZ ltd as on 21.12.2015 is as follows.

balance Sheet

liabilities	Rs.	Assets	Rs.
Equity capital	2,00,000	Fixed assets	3,60,000
9% Preference share capital	1,00,000	Stock	50,000
8% Debentures	1,00,000	Debtors	1,10,000
Profit & loss A/c	40,000	Bank	6,000
Creditors	90,000	Bills receivables	4,000
	5,30,000		5,30,000

Calculate (a) Debt equity ratio

(b) Current ratio.

(c) Liquidity ratio

**Part - C**

**Answer any TWO questions**

**(2 x 20 =40 Marks)**

18. Describe the various concepts and conventions of accounting

19. From the data, calculate

- a) Gross profit ratio
- b) Net profit ratio
- c) Return on total assets
- d) Inventory turnover ratio
- e) Working capital turnover ratio
- f) Net worth of debt ratio Rs.

Sales	25,20,000
Cost of sales	19,20,000
Net profit	3,60,000
Inventory	8,00,000
Other current assets	7,60,000
Fixed assets	14,40,000
Net worth	15,00,000
Debt	9,00,000
Current liabilities	6,00,000

20. From the following trial balance of XYZ as on 31<sup>st</sup> December 2015. Prepare the Trading and P&L A/c and balance sheet taking into account the adjustment

<b>Particular</b>	<b>Debit Rs</b>	<b>Credit Rs</b>
Stock 1-1-2005	2,450	-
Sundry debtors	7,580	-
Purchase	11,870	-
Return inwards	450	-
Bank deposit	2,750	-
Rent	360	-
Salaries	850	-
Travelling expenses	300	-
Drawings	600	-
Cash	210	-
Discount allowed	40	-
Capital	-	8,000
Sales	-	14,690
Bad debts recovered	-	250
Return outwards	-	350
Sundry creditors	-	1,250
Bank overdraft	-	1,570
Bills payable	-	1,350
<b>Total</b>	<b>27,460</b>	<b>27,460</b>

**Adjustment**

1. Stock on 31-12-2015 was Rs. 4,200
2. Write off Rs. 80 as bad debts and create a reserve for bad debts at 5% on sundry debtors.
3. Three months' rent is outstanding

21. Nirma Moti Company wishes to arrange O.D facilities with its bankers during the period April –June, when it will be manufacturing mostly for stock.

Months	Sales Rs.	Purchases Rs.	Wages Rs.
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

- i) 50% of credit sales is realized in the month following the sale and the other 50% in the second month following. Creditors are paid in the month following the month of purchase.
- ii) Wages are paid at the end of the respective month.
- iii) Cash at bank 1<sup>st</sup> April Rs. 25,000.

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