

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai - 600 044.

B.Com.Honours - END SEMESTER EXAMINATIONS - APRIL 2025  
SEMESTER - VI

**20UBHCT6026 - Accounting for Decision Making**

Total Duration : 2 Hrs. 30 Mins.

Total Marks : 60

**Section B**

Answer any **SIX** questions (6 × 5 = 30 Marks)

1. What are the advantages of management accounting?
2. The following are the income statements of X, Y, Z Co. Ltd. for the years 2018 and 2019. Show common-size income statement for the two years.

**Trading and Profit and Loss Account**

Particulars	2018 (Rs.)	2019 (Rs.)		2018 (Rs.)	2019 (Rs.)
To Cost of Sales	2,40,000	3,50,000	By Sales	4,00,000	5,00,000
To Gross Profit c/d	1,60,000	1,50,000			
	4,00,000	5,00,000		4,00,000	5,00,000
To Operating Expenses:			By Gross Profit b/d	1,60,000	1,50,000
Administration	25,000	30,000			
Selling	15,000	20,000	By Interest on investments	20,000	50,000
Distribution	10,000	10,000			
To Non-operating expenses					
Finance	20,000	20,000			
Goodwill written off	10,000	-			
To Net Profit	1,00,000	1,20,000			
	1,80,000	2,00,000		1,80,000	2,00,000

3. From the following details, analyse and ascertain Net Profit before Tax and extraordinary items for the year 2023.

	2022 Rs.	2023 Rs.
General Reserve	2, 00,000	3, 50,000
Profit and Loss Account	1, 50,000	2, 40,000
Proposed dividend	2, 10,000	2, 50,000
Provision for Taxation	2, 00,000	2, 50,000

An interim dividend of Rs.1,00,000 was paid during 2023. Income Tax paid in 2023 was Rs.1,75,000. A compensation of Rs.1,30,000 was received from government on account of riots.

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

	Rs.
Sales	2,00,000
Variable costs	1,20,000
Fixed cost	50,000
Net Profit	30,000

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5. Pankajam Ltd., sells goods on cash as well as on credit basis. The following information is extracted from their books of accounts for 2023:

	Rs.
Total sales	1, 00,000
Cash sales (included in the above)	20,000
Sales returns	7,000
Total debtors for sales as on 31-12-2023	9,000
Bills receivables as on 31-12-2023	2,000
Provision for doubtful debts	1,000
Trade creditors as on 31-12-2023	10,000

You are required to calculate,

- (1) Debtors/Receivables turnover ratio
  - (2) The average collection period
6. Analyse comparative financial statement and common size statement.
7. Determine Net Cash flow from operations for the year 2019 from the following Balance Sheets:

Liabilities	2018 (Rs.)	2019 (Rs.)	Assets	2018 (Rs.)	2019 (Rs.)
Share capital	5,00,000	5,00,000	Buildings at cost	3,00,000	3,00,000
8% debentures	2,00,000	2,00,000	Depreciation thereon	(20,000)	(50,000)
General Reserve	1,00,000	1,40,000	Machinery at cost	2,00,000	2,40,000
P & L A/c	50,000	1,20,000	Depreciation thereon	(30,000)	(55,000)
Trade creditors	40,000	70,000	Closing stock	1,40,000	2,60,000
Bills Payable	30,000	20,000	Trade debtors	2,00,000	3,00,000
Outstanding expenses	10,000	12,000	Cash at bank	1,40,000	67,000
	9,30,000	10,62,000		9,30,000	10,62,000

8. (a) Assess breakeven point from the following:  
 Sales 1,000 units at Rs.10 each Rs.10,000  
 Variable cost-Rs.6 per unit  
 Fixed cost-Rs.8,000
- (b) If the selling price is reduced to Rs.9, what is the new breakeven point?

### Section C

I - Answer any **TWO** questions (2 × 10 = 20 Marks)

9. Show the differences between management accounting and financial accounting.
10. Given:  
 Current ratio = 2.8  
 Acid-test ratio = 1.5  
 Working capital = Rs.1,62,000
- Analyse and Calculate:  
 (1) Current assets; (2) Current liabilities; (3) Liquid assets; (4) Stock
11. Sudeesh& Co. Ltd., furnishes its balance sheet for the years 2019 and 2020 and requests you to summarize and prepare a comparative balance sheet for those years.

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<b>Liabilities</b>	<b>2019 (Rs.)</b>	<b>2020 (Rs.)</b>	<b>Assets</b>	<b>2019 (Rs.)</b>	<b>2020 (Rs.)</b>
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

12. From the following Balance Sheets of Arvind Ltd., you are required to evaluate and prepare a cash flow statement:

<b>Liabilities</b>	<b>2019 (Rs.)</b>	<b>2020 (Rs.)</b>	<b>Assets</b>	<b>2019 (Rs.)</b>	<b>2020 (Rs.)</b>
Share capital	4,00,000	5,00,000	Cash	60,000	94,000
Trade creditors	1,40,000	90,000	Debtors	2,40,000	2,30,000
Profit & Loss A/c	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	5,60,000	6,36,000		5,60,000	6,36,000

II - Compulsory question (1 × 10 = 10 Marks)

13. An automobile manufacturing company finds that the cost of making Part No.208 in its own workshop is Rs.6. The same part is available in the market at Rs.5.60 with an assurance of continuous supply. The cost data to make the part are:

Material	Rs.2
Direct labour	Rs.2.50
Other variable costs	Rs.0.50
Fixed cost allocated	Re.1
	Rs.6

- (a) Should the part be made or bought?  
 (b) Will your answer be different if the market price is Rs. 4.60?  
 Show your calculations clearly.

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