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22PIB102

REG.NO

NGM COLLEGE (AUTONOMOUS) POLLACHI

END-OF-SEMESTER EXAMINATIONS: DECEMBER- 2022

M.Com – International Business

MAXIMUM MARKS: 50

I SEMESTER

TIME: 3 HOURS

ACCOUNTING FOR DECISION MAKING

SECTION – A

(10 X 1 = 10 MARKS)

ANSWER THE FOLLOWING QUESTIONS.

- Financial accounting reports to the _____ after the completion of the accounting year.
 - Internal management
 - External parties
 - Rivals
 - All the above
- Basic objective of cost accounting is _____.
 - Tax compliance
 - Financial audit
 - Cost ascertainment
 - Profit analysis
- Which one of the following is not a financial budget?
 - Cash budget
 - Capital budget
 - Budgeted funds flow statement
 - Sales budget
- Contribution margin is also known as _____.
 - Marginal income
 - Marginal cost
 - Gross profit
 - Net income
- In fund flow statement depreciation is _____.
 - Source of working capital
 - Added to net profit
 - Subtracted from net profit
 - Ignored

ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES

(K2)

6. What do you mean by Accounting Conventions?
7. Define the term “Quotations.”
8. What is budgetary control in accounting?
9. Explain the term standard costing.
10. What are the 3 types of cash flows?

SECTION – B

(5 X 3 = 15 MARKS)

ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.

(Qn. No. 11 to 15 Questions for Short Answers with internal choices)

(K3)

11. a) List the objectives of financial accounting.

(OR)

- b) Explain any three types of Accounting Concept.

(CONTD 2)

12. a) The following information relates to Toy manufacturing company for the 3 months ending 31st March, 2022.

Particulars	Amount (in Rs.)
Direct materials consumed	18,000
Direct labour paid	12,000
Direct expenses	4,000
Factory overheads	6,000
Administrative overheads	4,500
Selling and distribution overhead	2,500

1,000 units of toy are produced during the period and all the units produced are sold at Rs. 55 per unit. Prepare cost sheet.

(OR)

- b) The accounts of the Max Steel Engineering Co. Ltd. show for 2022,

	Rs.
Materials used	1,80,000
Market and machine labour wages directly chargeable	1,60,000
Works overhead expenditure	40,000
Establishment and general expenses	19,000

Show the works cost and total cost.

13. a) Prepare a production budget for three months ending March 31, 2022 for a factory producing four products, on the basis of following information:

Type of product	Estimated stock on January 1, 2022 UNITS	Estimated sales during January – March, 2022 UNITS	Desired closing stock March 31, 2022 UNITS
A	2,000	10,000	5,000
B	3,000	15,000	4,000
C	4,000	13,000	3,000
D	5,000	12,000	2,000

(OR)

- b) From the following data, prepare a production budget for Bajaj Ltd.

Stocks for the budgeted period

Products	As on 1 st January	As on 30 th June
R	8,000	10,000
S	9,000	8,000
T	12,000	14,000

Products	Requirements to fulfill sales programme	Nominal loss in production
R	60,000 Units	4%
S	50,000 Units	2%
T	80,000 Units	6%

14. a) Determine the amount of fixed expenses from the following:

Particulars	Rs.
Sales	2,50,000
Direct Material	80,000
Direct Labour	50,000
Variable Overheads	20,000
Profit	60,000

(OR)

b) Calculate the Break –Even Point from the following:

Particulars	Rs.
Fixed expenses	1,50,000
Variable cost per unit	10
Selling price per unit	15

15. a) Describe the limitations of financial statement analysis.

(OR)

b) Compare cash flow statement from fund flow statement.

SECTION – C**(5 X 5 = 25 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.****(Qn. No. 16 to 20 Questions for Long Answers with internal choices****(K4 (Or) K5)**

16. a) Discuss the capital items and revenue items in Financial Accounting.

(OR)

b) Determine the advantages and disadvantages of financial accounting.

17. a) The following information has been obtained from X Ltd. for the period of 1st May to 31st may 2022 . Prepare a Cost Sheet.

Particulars	Amount (in Rs.)
Cost of raw materials in stock (01.05.2022)	30,000
Raw materials purchased during month	2,90,000
Direct labour	40,000
Factory overheads	24,000
Direct expenses	6,000
Office overheads	12,000
Stock of finished goods (01.05.2022)	60,000
Stock of finished goods (31.05.2022)	80,000
Stock of raw materials (31.05.2022)	45,000
Selling and distribution overheads	20,000
Sales	4,00,000

(OR)

b) The following information has been obtained from the cost records of Y Ltd. for three months ending 31st March, 2022 during which 100 units are produced and all the units are sold @ 3,000 per unit. Prepare a Cost Sheet.

Particulars	Amount (in Rs.)
Stock of raw materials (01.01.2022)	18,000
Stock of raw materials (31.03.2022)	21,000
Raw materials purchased	1,62,000
Carriage paid on purchase	3,000
Depreciation on plant	6,000
Repairs to plant	2,000
Factory rent, rate and insurance	7,000
Indirect materials	11,000
Indirect labour	9,000
Direct labour	28,000
Depreciation on furniture	3,000
Printing and stationery	1,500
Office salaries and allowances	14,500
Warehouse rent	2,400
Advertising	2,000
Salesmen's salaries and commission	2,600

18. a) Larsen Ltd., plans to sell 1,10,000 units of certain product line in the first fiscal quarter, 1,20,000 units in the second quarter, 1,30,000 units in the third quarter and 1,50,000 units in the fourth quarter and 1,40,000 units in the first quarter of the following year. At the end of each quarter, the company plans to have an inventory equal to one-fifth of the sales for the next fiscal quarter. The opening stock is 14, 000 in first year, 24, 000 in second year 26, 000 in third year, 30, 000 in fourth year respectively.

How many units must be manufactured in each quarter of the current year?

(OR)

- b) The expenses for budgeted production of 10,000 units in a factory are furnished below:

	Per Unit (Rs)
Materials	70
Labour	25
Variable Overheads	20
Fixed Overheads (Rs. 1,00,000)	10
Variable Expenses (Direct)	5
Selling Expenses (10% Fixed)	13
Distribution Expenses (20% Fixed)	7
Administration Expenses	5
Total Cost per unit	155

Prepare a budget for production of

- i) 8,000 Units ii) 6,000 Units iii) Indicate cost per unit at both the levels.

Assume that administration expenses are fixed for all levels of production.

19. a) Find out the missing values of Case I,II & III for each independent situation.

Case	No. of units sold	Selling Price p.u (Rs.)	Variable cost % of sales	Contribution margin (Rs.)	Fixed cost (Rs.)	Profit
I	15,000	?	90	?	30,000	0
II	2,000	160	?	80,000	?	(2,000)
III	?	15	75	?	25,000	50,000

(OR)

- b) The following information is given for two companies.

Particulars	X Ltd.	Y Ltd.
Units produced & sold	17,000	17,000
Revenues	Rs. 1,70,000	Rs. 1,70,000
Fixed costs	85,000	34,000
Operating income	51,000	51,000
Variable cost	34,000	85,000

Find out the Break-Even Point of each company both in units as well is in volume.

20. a) Examine the nature and objectives of financial statement analysis.

(OR)

- b) Summarise the advantages and significance of funds flow statement.