

(FOR THE CANDIDATES ADMITTED

SUBJECT CODE **22 UCS 4A1**

DURING THE ACADEMIC YEAR 2022-2025 ONLY)

REG.NO.

**N.G.M.COLLEGE (AUTONOMOUS): POLLACHI**

**END-OF-SEMESTER EXAMINATIONS: MAY – 2024**

**B.Sc. – COMP. SCIENCE (AIDED & S.F.)**

**MAXIMUM MARKS: 50**

**SEMESTER: IV**

**TIME: 3 HOURS**

**PART – III**

**ACCOUNTANCY FOR DECISION MAKING**

**SECTION – A (10 X 1 = 10 MARKS)**

**ANSWER THE FOLLOWING QUESTIONS.**

**(Objective Questions with four Multiple Choices)**

**(K1)**

1. Journal is a book of \_\_\_\_\_
  - a) Prime entry
  - b) Only cash transactions
  - c) Secondary entry
  - d) Credit transactions
2. Salaries paid to staff will be debited to \_\_\_\_\_
  - a) Salary A/c
  - b) Cash A/c
  - c) Staff A/c
  - d) Expense A/c
3. The main purpose of cost accounting is to \_\_\_\_\_
  - a) Maximize profits
  - b) Help in inventory valuation
  - c) Provide information to management for decision making
  - d) Aid in the fixation of selling price
4. Sales budget is a \_\_\_\_\_
  - a) Functional budget
  - b) Expenditure budget
  - c) Master budget
  - d) Flexible budget
5. Depreciation on fixed assets is \_\_\_\_\_
  - a) Non-operating Income
  - b) Operating Expense
  - c) Operating Income
  - d) Non- operating Expense

**ANSWER THE FOLLOWING IN ONE (OR) TWO SENTENCES. (K2)**

6. What do you mean by ledger?
7. Recall the term final account
8. Specify the term cost sheet
9. Define management accounting
10. State the meaning of cash flow statement

**(CONTD .... 2)**

**SECTION – B****( 5 X 3 = 15 MARKS)****ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.****(K3)**

11. a) Briefly explain any five basic accounting concepts.

**(OR)**

b) Give Journal entries for the following transactions:-

2001 June 1 Kumar started business with cash Rs.10,000

2 Paid salary for the staff Rs.500

5 Purchases from Ganesan Rs.2,500

15 Sold goods to Krishna for cash Rs.5,000

12. a) From the following information, find out net profit of the organization.

Wages	15,000	Salaries	22,000
Gross profit	74,000	Commission received	6,000
Rent	11,500	Postage	4,300
Interest	4,350	Buildings	1,50,000

**(OR)**

12. b) Prepare profit and loss account for the year ending on 31.3.1995.

Gross profit	25,000	Salaries	5,600
Insurance	200	Discount allowed	400
Discount received	300	Commission earned	100
Advertisement	450	Taxes	150
Travelling expenses	500	Stationery	75
Rent	650	Interest on loan	225
Repairs	125	Office expenses	55
General expenses	875	Postage	175
Printing charges	375		

13. a) Calculate prime cost from the following information:-

Opening stock of raw material = Rs. 2,50,000

Purchased raw material = Rs. 15,00,000

Expenses incurred on raw material = Rs. 1,00,000

Closing stock of raw material = Rs. 4,50,000

Wages Rs. 9,52,000

Direct expenses Rs. 4,68,000

**(OR)**

b) Explain briefly the various objectives of cost accounting.

**(CONTD .... 3)**

14. a) Shyam Food Product Limited has prepared the following sales budget for the first five months of 2012.

Months	Sales Budget (in units)
January	10,800
February	15,600
March	12,200
April	10,400
May	9,800

The inventory of finished products at the end of every month is to be equal to 25% of the sales estimated for the next month. On Jan 1, 2012 there were 2,700 units of product on hand. There is no work-in-process at the end of any month. Prepare a production budget for the first quarter of 2012.

(OR)

- b) Summarize in detail the objectives of budgetary control.
15. a) Kumar Ltd., arrived at a net income of Rs.5,00,000 for the year ended March 31, 2017. Depreciation for the year was Rs.2,00,000. There was a profit of Rs.50,000 on assets sold which was transferred to Statement of profit and Loss account. Trade Receivables increased during the year Rs.40,000 and Trade Payables also increased by Rs.60,000. Compute the cash flow operating activities by the indirect approach.

(OR)

- b) From the following figures given below, calculate cash from operations

Particulars	December 31	
	2000 (Rs.)	2001 (Rs.)
Trade Debtors	1,50,000	1,30,000
Bills Receivable	50,000	40,000
Stock-in-trade	1,20,000	1,45,000
Prepaid Expenses	30,000	25,000
Accrued Income	20,000	27,500
Sundry Creditors	80,000	1,10,000
Outstanding Expenses	4,000	5,000
Bills payable	30,000	25,000
Income Received in advance	3,000	4,000
Profit made during the year	-	7,50,000

(CONTD .... 4)

**SECTION – C (5 X 5 = 25 MARKS)**  
**ANSWER EITHER (a) OR (b) IN EACH OF THE FOLLOWING QUESTIONS.**  
**(K4 (Or) K5)**

16. a) The balances are extracted from the books of Sekar are given below. Prepare Trial Balance from the following as on 31<sup>st</sup> March 2014.

Sekar's capital	6,00,000	Misc. income	800
Purchases	4,00,000	Cash at bank	12,000
Sales return	2,000	Bills payable	14,000
Sundry debtors	30,000	Wages	14,000
Plant & machinery	16,000	Telephone charges	2,000
Sundry creditors	8,000	Cash in hand	3,600
Sales	60,000	Bills receivable	22,000
Investment (Dr)	800	Discount earned	1,600
Purchases returns	1,600	Rent	1,600
Commission (Dr)	2,000		

**(OR)**

- b) Distinguish between Journal and Ledger.
17. a) Enter the following transactions in proper subsidiary books

2007 December

1	Purchased goods from A	Rs. 5,000
3	Sold goods to M for cash	Rs. 8,000
8	Returned defective goods	Rs. 1,000
10	N bought goods from us	Rs. 7,000
13	Sold goods to P	Rs. 3,000
14	Return inwards from P	Rs. 400
17	Purchases from J	Rs. 4,000
20	Credit sales to K	Rs. 2,000
22	Returned to j goods worth	Rs. 750
28	Bought machinery from RS Ltd on Credit	Rs.12,000
29	Received goods returned by K	Rs. 300
30	Sold old machinery for cash	Rs. 2,000

**(OR)**

**(CONTD .... 5)**

b) From the following information, prepare a Three Column cash Book.

March 1 Cash in hand Rs.134.

Bank overdraft Rs.1700

2 Sarathi, our customer has paid directly into our bank account Rs.3500

3 paid rent by cheque Rs.2500

5 Paid water tax Rs.100

10 Cheque issued in favour of Ajay Steel Company for purchase of furniture Rs.1200

15 Received from Shanmugam Rs.1675

20 Paid into Bank Rs.25

25 Paid for Ramu Rs.1185 and discount received Rs.15

30 Ajay Steel Company, to whom we have issued a cheque of Rs.1200 has reported that our cheque is dishonoured.

18. a) The following transactions, took place in respect of an item of material:

Date	Receipts (in Qty)	Rate (in Rs.)	Issues (in Qty)
01.07.2015	200 Units	2.00	Nil
05.07.2015	300 Units	2.40	Nil
12.07.2015	Nil	Nil	250 Units
20.07.2015	250 Units	2.60	Nil
31.07.2015	Nil	Nil	200 Units

Record the above transactions in the stores ledger pricing the issues at simple average rate method.

**(OR)**

b) Prepare a cost sheet for the period ended 31 March 2007

Cost of raw material	Rs. 200000
Productive wages Indirect	Rs. 150000
labour Carriage inwards	Rs.10000
Other factory expenses	Rs.20000
Office expenses	Rs.25000
Legal expenses	Rs.40000
Expenses for testing the quality of goods	Rs.10000
General managers salary	Rs.5000
Selling expenses	Rs.30000
Profit 20% on total cost	Rs.20000

**(CONTD .... 6)**

19. a) From the following forecast of income and expenditure, prepare a cash budget for the months March to June 2010.

Month	Sales (Credit) Rs.	Purchase (Credit) Rs.	Wages (Rs.)	Factory Expenses (Rs.)	Office Expenses (Rs.)	Distribution Expenses (Rs.)
Jan 2002	50,000	25,000	4,000	2,000	1,500	1,000
Feb	60,000	26,000	4,000	2,200	1,550	1,100
Mar	75,000	25,000	4,500	2,000	1,600	1,200
Apr	80,000	27,000	4,500	2,100	1,700	1,250
May.	1,00,000	27,500	4,750	2,200	1,750	1,200
June	1,05,000	29,000	5,000	2,500	1,800	1,400

Additional Information is as follows:

- Balance of cash in hand on 1<sup>st</sup> March 2010 is Rs. 20,000
- The customers are allowed a credit period of 2 Months
- The creditor are allowing a credit of 1 Month
- A dividend of Rs.25,000 is payable in June
- Capital expenditure to be incurred: Machinery purchased 20<sup>th</sup> April for Rs.10,000; a land has been purchased on 1<sup>st</sup> March and the payments are to be made in monthly instalments of Rs.5,000 each
- Interest on Investment of Rs.25,000, is receivable in May
- Wages are paid on the 1<sup>st</sup> week of the next month
- Lag in payment of other expenses is one month

(OR)

- b) The expenses budgeted for production of 5,000 units in a factory are furnished below

Particulars	Per Unit (Rs.)
Materials	40
Labour	30
Direct Expenses	20
Factory expenses (30% Fixed)	30
Selling and distribution expenses (15% fixed)	20
Administration expenses (100% fixed)	5

Prepare a flexible budget for production of (i) 4,000 units and (ii) 7,000 units and also calculate the cost per unit at those levels of production.

(CONTD .... 7)

20. a) Prepare cash flow statement of Mr.Thiruvel from the following balance sheets

Liabilities	2003 (Rs.)	2004 (Rs.)	Assets	2003 (Rs.)	2004 (Rs.)
Current liabilities	35,000	40,000	Cash	5,000	4,000
Loan from Mrs. D	-	25,000	Debtors	40,000	45,000
Bank Loan	40,000	30,000	Stock	30,000	25,000
Capital	1,50,000	1,54,000	Land	30,000	40,000
			Building	50,000	55,000
			Machinery	70,000	80,000
<b>Total</b>	<b>2,25,000</b>	<b>2,49,000</b>	<b>Total</b>	<b>2,25,000</b>	<b>2,49,000</b>

During the year, Mr.Thiruvel brought an additional capital of Rs.10,000 and his drawings during the year were Rs.31,000. Provision for depreciation on fixed assets on 31.12.03 was Rs.30,000 and on 31.12.04 Rs.40,000

(OR)

- b) Following are the Balance Sheets of Vel.Bros.Ltd as on 31<sup>st</sup> March 2007 & 2008

Liabilities	2008 (Rs.)	2009 (Rs.)	Assets	2008 (Rs.)	2009 (Rs.)
Share Capital	5,000	4,000	Fixed Assets	4,000	4,100
P& L a/c	320	300	(-) Depreciation	1,500	1,100
Debentures	700	600		2,500	3,000
Creditors	1,400	1,700	Debtors	2,400	2,000
Provision for tax	420	300	Prepaid Expenses	50	30
Proposed Dividend	580	500	Preliminary Exp.	300	500
Bank O/D	680	1,250	Cash	350	120
			Stock	3,500	3,000
<b>Total</b>	<b>9,100</b>	<b>8,650</b>	<b>Total</b>	<b>9,100</b>	<b>8,650</b>

**Additional Information**

- Tax paid during the year ending 31.3.2008 Rs.350
- Dividend proposed during the year ending 31.3.2008 Rs.400
- Fixed assets costing Rs.700, accumulated depreciation there on Rs.300 were sold at book value

Prepare Cash Flow Statement.