

Name.....

ID.No

**PRINCE OF SONGKLA UNIVERSITY
FACULTY OF ENGINEERING**

Mid-term : semester 1

Academic Year : 2005

Date : July 31, 2005

Time : 9:00-12:00

Subject :225-452 Cost Analysis

Room : R300

Instruction

1. Attempt all questions.
2. Write answers in this examination paper.
3. All materials are allowed to the examination room.
4. Total examination papers are 13 pages.
5. The points are as follows :

Question No	1	2	3	4	total points
Full points scored	20	20	24	16	80
Scored					

ทูลจริตในการสอบ โทษชั้นต่ำคือปรับตกลในรายวิชาที่ทูลจริตและพัทการเรียน 1 ภาคการศึกษา

Boonrueing Manasurakarn
Instructor

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1. How would you interpret your understanding the below balance sheet.
(20 points.)

**ABC PUBLIC COMPANY LIMITED
BALANCE SHEETS
AS AT DECEMBER 31,**

	2000	2001
ASSETS		
CURRENT ASSETS		
Cash in hand and at banks	1,260,076,404	67,208,125
Short-term investments	246,899,023	9,492,560
Notes receivable other	1,324,739,664	1,330,423,574
Trade accounts receivable		
Related parties	1,227,939,919	1,261,266,235
Other	<u>1,451,812,053</u>	<u>2,571,505,589</u>
	4,004,491,636	5,163,195,398
<u>Less</u> Allowance for doubtful accounts	(120,978,021)	(123,776,218)
Trade accounts and notes receivable-net	<u>3,883,513,615</u>	<u>5,039,419,180</u>
Short-term loans and advances to related parties	7,615,466,325	11,583,516,732
Inventories	7,618,999,751	7,498,696,460
Other current assets		
Other receivables	528,930,608	593,330,132
Other	<u>377,829,133</u>	<u>256,249,277</u>
Total Current Assets	<u>21,531,714,859</u>	<u>25,047,912,466</u>
INVESTMENT AND LOANS		
Related parties	15,532,826,960	11,846,895,060
Other	1,084,037,439	1,010,463,672
PROPERTY, PLANT AND EQUIPMENT-NET	81,184,156,277	78,330,916,032
INCREMENT PER ASSETS APPRAISAL-NET	50,602,142,247	52,470,719,356
OTHER ASSETS		
Notes receivable-land-net	1,189,431,251	1,861,431,251
Deferred expenses	1,154,245,150	1,471,090,947
Other	4,333,630,466	4,072,846,458

TOTAL ASSETS	BAHT	<u>176,612,184,649</u>	<u>176,112,275,242</u>
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		2000	2001
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES			
Bank overdrafts and loans from financial institutions		43,565,175,493	43,545,620,157
Trade accounts and notes payable			
Related parties		1,073,791,626	613,112,868
Other		2,257,073,354	2,678,996,733
Current portion of long-term liabilities		9,170,233,175	6,733,703,213
Long-term liabilities under debt restructuring		59,841,963,883	84,824,256,466
Short-term loans and advance from related parties		429,803,487	1,156,314,241
Other current liabilities			
Other payables		1,456,773,834	1,484,545,543
Accrued interest expenses		10,025,461,399	4,052,023,142
Other		1,025,966,572	397,077,792
Total Current liabilities		<u>128,846,242,823</u>	<u>145,485,650,155</u>
UNREALIZED PROFIT FROM REPURCHASE DEBENTURE		647,341,776	
UNREALIZED PROFIT FROM SALES OF LAND			
TO RELATED PARTIES		<u>47,200,032</u>	<u>835,750,458</u>
TOTAL LIABILITIES		<u>129,540,784,631</u>	<u>146,321,400,613</u>
MINORITY INTEREST		7,261,493	26,801,467
SHAREHOLDERS' EQUITY			
SHARE CAPITAL			
Authorized capital			
2,170,000,000 ordinary shares of Baht 10.00 each		<u>21,700,000,000</u>	<u>21,700,000,000</u>
Issued and paid-up capital			
1,950,000,000 ordinary shares of Baht 10.00 each,			
fully paid		19,500,000,000	19,500,000,000
PAID-IN CAPITAL		7,208,722,886	7,208,722,886
UNREALIZED GAIN RESULTING FROM THE SALES			
OF SHARES IN AN ASSOCIATED COMPANY TO			
THE PUBLIC IN EXCESS OF PAR VALUE			
		2,250,839,446	2,250,839,446
UNREALIZED INCREMENT PER			
ASSETS APPRAISAL		67,781,152,943	70,625,402,244

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RETAINED EARNINGS

Appropriated		
Statutory reserve	1,960,000,000	1,960,000,000
Unappropriated (deficit)	(50,571,842,684)	(70,415,537,893)
TOTAL SHAREHOLDERS' EQUITY	48,128,872,591	31,129,426,683
<u>Less</u> Unrealized loss on marketable securities		
- for investment	(1,064,734,066)	(1,365,353,521)
TOTAL SHAREHOLDERS' EQUITY - NET	<u>47,064,138,525</u>	<u>29,764,073,162</u>
TOTAL LIABILITIES AND SHAREHOLDERS'		
EQUITY BAHT	<u>176,612,184,649</u>	<u>176,112,275,242</u>

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2. How would you interpret your understanding the below statements of operations. (20 points.)

**ABC PUBLIC COMPANY LIMITED
STATEMENTS OF OPERATIONS
FOR YEAR ENDED DECEMBER 31,**

	2000	2001
REVENUES		
Sales	46,172,818,294	27,889,367,129
Equity in undistributed net income (loss) of subsidiary companies		
Equity in undistributed net income (loss) of associated companies	3,933,463,577	(13,538,226,512)
Interest income	598,902,547	1,563,932,899
Gain from exchange rate	24,520,666,587	79,718,269
Other income	<u>306,312,928</u>	<u>419,902,711</u>
Total Revenues	<u>75,532,163,933</u>	<u>16,414,694,496</u>
Expenses		
Cost of Sales	35,486,395,177	19,848,001,069
Selling and administrative expenses	7,488,725,676	6,337,449,847
Interest expenses	10,123,399,598	5,172,066,021
Directors' remuneration	5,256,000	8,781,000
Other expenses	<u>233,000,000</u>	<u>235,811,340</u>
Total Expenses	<u>53,336,776,451</u>	<u>31,602,109,277</u>
INCOME (LOSS) BEFORE INCOME TAX AND EXTRAORDINARY ITEMS	22,195,387,482	(15,187,414,781)
INCOME TAX	(1,094,549)	(415,316)
INCOME (LOSS) BEFORE MINORITY INTERESTS AND EXTRAORDINARY ITEMS	22,194,292,933	(15,187,830,097)
ADD MINORITY INTERESTS IN SUBSIDIARIES' NET LOSS	<u>15,053,550</u>	<u>15,774,771</u>
INCOME(LOSS) BEFORE EXTRAORDINARY ITEMS EXTRAORDINARY ITEMS	22,209,346,483	(15,172,055,326)
LOSS ON THE APPLICATION OF THE MANAGED FLOAT EXCHANGE SYSTEM	-	<u>(54,088,935,265)</u>

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NET INCOME (LOSS)	BAHT	<u>22,209,346,483</u>	<u>(69,260,990,591)</u>
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NET INCOME (LOSS) PER SHARE

INCOME (LOSS) BEFORE			
EXTRAORDINARY ITEMS	BAHT	11.39	(8.34)
EXTRAORDINARY ITEMS	BAHT	-	(29.74)
NET INCOME (LOSS)	BAHT	11.39	(38.08)

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3. Compute the financial ratio of :

3.1 Earnings per share.

3.2 Return on total assets.

3.3 Current ratio.

3.4 Acid – test (quick) ratio.

3.5 Inventory turnover.

3.6 Debt – to –Equity ratio.

And comment on the results of your analysis. (24 points)

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4. The following information has been taken from the accounting records of a company for the last year :

Selling expenses.....	\$ 140,000
Raw materials inventory, January 1.....	90,000
Raw materials inventory, December 31.....	60,000
Utilities, factory.....	36,000
Direct labor cost.....	150,000
Depreciation, factory.....	162,000
Purchases of raw materials.....	750,000
Sales.....	2,500,000
Insurance, factory.....	40,000
Supplies, factory.....	15,000
Administrative expenses.....	270,000
Indirect labor.....	300,000
Maintenance, factory.....	87,000
Work in process inventory, January 1.....	180,000
Work in process inventory, December 31.....	100,000
Finished goods inventory, January 1.....	260,000
Finished goods inventory, December 31.....	210,000

Management wants these data organized in a better format so that financial statements can be prepared for the year.

Required :

- 1) Prepare a schedule of cost of goods manufactured.
- 2) Compute the cost of goods solds.
- 3) Using data as needed from 1) and 2) above, prepare an income statement.

(16 points)