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SEAT No. :

[Total No. of Pages : 8

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M.B.A. (Semester - I)

101 : ACCOUNTING FOR BUSINESS DECISIONS

(2013 Pattern) (Revised)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:-

- 1) *All questions are compulsory.*
- 2) *Each question has an internal option.*
- 3) *Each question carries 10 marks.*
- 4) *Use of simple calculator is allowed.*

Q1) Differentiate between financial accounting and cost accounting. **[10]**

OR

Briefly explain the role of management accounting in global business environment.

Q2) Following is the Trial Balance of Mr. Dhoni as on 31st March 2016. Prepare his Trading A/c, P&C A/c and Balance sheet. **[10]**

Particular	Debit (Rs.)	Credit (Rs.)
Dhoni's capital		5,50,000
Good will	50,000	
Op. Stock	2,00,000	
Bills receivables	50,000	
Plant & M/c	2,50,000	
Purchases	4,00,000	
Sales		5,90,000
Investments	1,00,000	
Furniture	30,000	
Returns outward		5,000
Dhoni's Drawings	20,000	

P.T.O.

Sundry Debtors	1,80,000	
Sundry creditors		2,70,000
Salaries	25,000	
Wages	40,000	
Insurance	25,000	
General expenses	40,000	
Advertisement (for 5 years from 1/4/15)	15,000	
Interest & commission		15,000
Prepaid insurance	10,000	
Miscellaneous income		5,000
Total	14,35,000	14,35,000

Adjustments

- 1) Closing stock was valued at Rs. 2,00,000
- 2) Depreciation on M/c @ 10%
- 3) Create reserve for doubtful debt @ 10%
- 4) Outstanding salaries amounted to Rs. 10,000
- 5) Goods distributed as free samples Rs. 10,000

OR

From the following Trial Balance of M/s Ram Co. Prepare:- Trading A/c, P&L A/c, Balance sheet for the year ending 31st March 2016. **[10]**

Particulars	Debit (Rs.)	Credit (Rs.)
Capital		45,000
Drawings	3,250	
Land and buildings	12,750	
Plant & M/c	7,250	
Furniture	750	
Carriage	2,125	
Wages	10,750	
Salaries	2,350	

Bad debts Reserve (1-4-15)		1,250
Sales		47,500
Return inward	900	
Bank Charges	750	
Taxes	425	
Discount		60
Purchases	20,000	
Bills receivable	750	
Debtors	18,900	
Creditors		6,125
Stock(1-4-15)	12,500	
Cash is hand	7,000	
Bank Loan		515
Total	1,00,450	1,00,450

Adjustments

- 1) Closing stock (31-3-2016) Rs. 3,625/-
- 2) Providing 10% depreciation p.a. on all types of fixed assets
- 3) Allow interest on capital @5% p.a. No interest is to be charged on drawings.
- 4) Increase bad debts reserve to Rs.1,750
- 5) Make a provision for commission to the General Manager on gross profit@2%

Q3) From the following transactions, prepare a store ledger A/c showing pricing of material on LIFO basis. (Last in First out basis) **[10]**

Date	Particulars	Units	cost per unit
1/5/17	Op.stock	600 units	@Rs. 14 each.
3/5/17	Purchased	300 units	@ Rs. 15 each
6/5/17	Issued	500 units	
7/5/17	Purchased	900 units	@ Rs. 16 each
8/5/17	Issued	600 units	
12/5/17	Issued	200 units	
23/5/17	Purchased	400 units	@ Rs.18 each
27/5/17	Issued	500 units	

OR

The accounts of G.B. Manufactures Ltd. for the year ending 31st Dec. 2016. as given below.

Particular	Amt. (Rs.)
Stock of RM (1-1-2016)	16,720
Material purchased	25,900
Travellers commission	1,078
Depreciation on office furniture	42
Rent & insurance (factory)	1,190
Productive wages	17,640
Directors fees	840
General expenses	476
Gas & water (Factory)	168
Travelling exp.	294
Sales	76,000
Managers salary (Factory)	1,000
Managers salary (office)	500
Depreciation on plant & M/c	1,820
Discount allowed	406
Repairs plant & M/c	623
Carriage outward	602
Direct expenses	1,001
Rent & insurance (Office)	280
Gas & water (office)	56
Stock of material on (31-12-2016)	8,792
Profit	8,156

Prepare a cost sheet showing

- Material consumed
- Prime cost
- Factory cost
- Cost of production
- Total cost

Q4) "R-Dture" company limited is expecting to have cash in hand of Rs. 25,000 on 1st April 2016. [5]

- You are required to prepare cash Budget during the three months, April to June 2016.

The following information is supplied to you.

Month	Sales(Rs.)	Purchases (Rs.)	Wages(Rs.)	Expenses(Rs.)
February	70,000	40,000	8,000	6,000
March	80,000	50,000	8,000	7,000
April	92,000	52,000	9,000	7,000
May	1,00,000	60,000	10,000	8,000
June	1,20,000	55,000	12,000	9,000

- Write note on labour variance [5]

OR

- i) Write note on budgetary control system.
 ii) From the following calculate
 a) Material cost variance
 b) Material price variance

Material	Standard			Actual		
	Qty.	Price (Rs.)	Total (Rs.)	Qty.	Price (Rs.)	Total (Rs.)
X	2,500	6.00	15,000	2,000	6.00	12,000
Y	2,000	3.75	7,500	2,500	3.60	9,000
Z	1,500	3.00	4,500	2,000	2.80	5,600
Total	6,000		27,000	6,500		26,600

- Q5) i) From the following find out
 a) P/v ratio
 b) Fixed cost

	Sales(Rs.)	Profit (Rs.)
Period I	10,00,000	1,50,000
Period II	12,00,000	2,30,000

- ii) Short note on "Uses of marginal costing".

[10]

OR

- i) Reno manufacturing Ltd. furnishes following data.

Particulars	Amt.(Rs.)
Sales	1,50,000
(-) Variable cost	1,20,000
Contribution	30,000
(-) Fixed cost	20,000
Profit	10,000

You are required to calculate

- a) P/v ratio
 b) BEP (sales)
 ii) Explain the use of marginal costing in "make or buy decision".



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Q1) a) Distinguish between management accounting and financial accounting.

OR

b) Explain the concept of management accounting. Discuss the utility of management accounting.

Q2) a) What is mean by financial statements? Explain the objectives of financial statements.

OR

b) Do you think that the financial statements of proprietary and limited companies are same? Justify.

Q3) a) The M/s Modern Ltd. Company submits the following information as on 31st March 2015. Prepare a statement of cost and find out sales.

Particulars	Amount (Rs.)
Opening stock of Raw materials	40,000
Purchases	3,00,000
Closing stock of Raw materials	20,000
Direct labour	1,20,000
Factory lighting	15,000
Power & fuel	30,000
Office rent	25,000
Printing & stationery	10,000
Office furniture	20,000
Opening stock of finished goods	11,200
Closing stock of finished goods	32,400
Selling & distribution overheads	20,000
Profit	1,39,700

OR

- b) Classify the following items as
- 1) Factory overhead
 - 2) Office overhead
 - 3) Selling & distribution overhead
 - 4) Items excluded from cost sheet
- i) Indirect material
- ii) Printing & stationery
- iii) Telephone & telegram
- iv) Travelling expenses
- v) Factory insurance
- vi) Supervisor's salary
- vii) Show room expenses
- viii) Bad debts
- ix) Depreciation of factory building
- x) Interest on capital

Q4) a) The store ledger of XYZ Ltd. company reveal the following entries of a particular material. Calculate the value of closing stock as on 31st January 2016 by adopting FIFO method.

Date	Purchases		Issues
	Qty.	Rate	Qty.
2/1/2016	4,000	1.80	
5/1/2016	2,000	1.75	
8/1/2016			10,000
11/1/2016			5,000
14/1/2016	3,000	1.85	
28/1/2016	3,000	1.90	
30/1/2016			10,000

Opening stock as on 1/1/2016 was 20,000 units valued at Rs.40,000

OR

- b) PH Ltd. is a manufacturing company having three production departments (A, B & C) and two service departments (X & Y), for the month of December 2015.

Particulars	Rs.
Factory Rent	4,000
Power	2,500
Depreciation	1,000
Indirect labour	9,000

Additional information

Particulars	A	B	C	X	Y
Direct materials	1,000	2,000	4,000	2,000	1,000
Direct wages	5,000	2,000	8,000	1,000	2,000
Area (sq.ft.)	500	250	500	250	500
Capital value of Assets	20,000	40,000	20,000	10,000	10,000
Horse power of machine	50	40	20	15	25

You are required to show a statement of distribution of overheads to various departments.

- Q5) a) From the following information compute

- Direct material price variance
- Direct material usage variance
- Direct material mix variance

Particulars	Standard			Actual		
	Qty.(Kgs.)	Unit price	Total	Qty.(kgs.)	Unit price	Total
Material A	100	20	2,000	50	30	1,500
Material B	200	30	6,000	100	60	6,000
Material C	200	60	12,000	150	50	7,500
	<u>500</u>		<u>20,000</u>	<u>300</u>		<u>15,000</u>

OR

- b) The following data are obtained from the records of a company

	2014	2015
Sales	Rs.80,000	Rs.90,000
Profit	Rs.10,000	Rs.14,000

Calculate:

- Contribution
- P/V ratio
- Fixed cost
- BEP in sales (Rs.)

