

Total No. of Questions : 5]

SEAT No. :

P1336

[Total No. of Pages :12

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M.B.A.

**101 : ACCOUNTING FOR BUSINESS DECISIONS  
(2013 Revised Pattern) (Semester - I)**

Time : 2½ Hours]

[Max. Marks :50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) All questions carry equal marks.
- 3) Each question has an internal options.
- 4) Use of simple calculator is allowed.

Q1) a) Distinguish between Financial Accounting and Management Accounting.

OR

b) Explain the classification of costs according to the functions and behaviour along with examples.

Q2) a) Following is the Trial Balance of Mr. Sole Trader as on 31<sup>st</sup> March 2016. You are required to prepare Trading and Profit & Loss account and Balance sheet for the year ended 31<sup>st</sup> March 2016.

Trial Balance

Particulars	Dr. (Rs.)	Cr. (Rs.)
Sales		3,00,000
Plant and Machinery	1,20,000	
Rent, Rates and Taxes	20,000	
Sales Returns	30,000	
Freight	4,000	
Bills Receivables	70,000	
Opening stock	1,20,000	

P.T.O.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Purchases	2,30,000	
Discount paid	5,000	
Interest on Bank loan	5,000	
Salaries	70,000	
Cash in hand	5,000	
Purchase Returns		10,000
Bank Loan		1,50,000
Capital		1,81,500
Bills Payable		66,000
Legal charges	500	
General Expenses	8,000	
Cash at Bank	20,000	
Total	7,07,500	7,07,500

Adjustments:

- i) Closing stock was valued at Rs. 1,20,000.
- ii) Interest on Bank loan was outstanding Rs. 7,000.
- iii) Depreciate plant and machinery @ 10%.
- iv) Mr. Sole Trader has withdrawn the goods worth Rs. 20,000 for personal use and accountant has not given the effect of the same.

OR

- b) Following is the Trial Balance of Mr. Poonawala who is Sole Trader as on 31<sup>st</sup> March 2016. You are required to prepare Trading and profit and Loss Account and Balance Sheet as on 31<sup>st</sup> March 2016.

Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
Wages	6,000	Sales:	
Drawings	2,000	Cash Sales	8,000
		Credit Sales	18,000
Purchases	18,000	Capital	34,000
Sales Returns	300	Discount earned	340
Office Furniture	4,000	Purchase Returns	460
Building	12,000	Reserve for Doubtful Debts	1,500
Office Expenses	800	Sundry Creditors	2,800
Advertisement	500	Bank overdraft	1,300
Opening stock	5,000	Income from Investment	250
Rent	400		
Commission	200		
Bills Receivables	800		
Travelling Expenses	250		
Salaries	350		
Bad debts	190		
Cash in hand	1,800		
Postage	50		
Freight on Purchases	210		
Investments	2,000		
Fuel and Power	800		
Debtors	11,000		
	66,650		66,650

Adjustments:

- i) Closing stock was Rs. 8,200.
- ii) Depreciation provided on building and on furniture @ 10%.
- iii) Rent was outstanding Rs. 120.
- iv) Provision for doubtful debts is to be maintained at 5%.
- v) Income in the form of Interest accrued but not received Rs. 50.
- vi) Goods worth Rs. 100 were distributed as free samples.

Q3) a) Following is the record of receipts and issues of a particular material in factory during April, May and June 2016.

- i) On 2<sup>nd</sup> April, purchased 40,000 units @ Rs. 4 P.U.
- ii) On 20<sup>th</sup> April, purchased 5,000 units @ Rs. 5 P.U.
- iii) On 5<sup>th</sup> May, 20,000 units were issued.
- iv) On 10<sup>th</sup> May, purchased 60,000 units @ Rs. 6 P.U.
- v) On 12<sup>th</sup> May, 40,000 units were issued.
- vi) On 2<sup>nd</sup> June, 10,000 units were issued.
- vii) On 15<sup>th</sup> June, again 10,000 units were issued.
- viii) On 16<sup>th</sup> June, purchased 45,000 units @ Rs. 5.50 P.U.
- ix) On 20<sup>th</sup> June, 30,000 units were issued.

Write up a stores ledger as per LIFO method and find out the closing balance.

OR

b) A company has three production Departments namely P1, P2 and P3 and one Service Department namely S1.

The indirect expenses are as follows:

P1 :-	Rs. 825
P2 :-	Rs. 100
P3:-	Rs. 955
S1 :-	Rs. 620

Details of additional expenses are as follows:

Particulars	Amt. (Rs.)
Repairs of plant & machinery	1,500
Depreciation of plant & machinery	1,000
Rent	5,000
Lighting	500
Insurance of plant	1,000
Supervision charges	4,000
ESI contribution	500
Motive Power	2,000

Following are the other details related to production and service departments.

Particulars	P1	P2	P3	S1
Area Sq. Ft.	100	150	90	160
Number of workers	15	10	9	16
Direct wages	5,000	8,000	5,000	2,000
Value of plant	25,000	10,000	8,000	7,000
Number of light points	10	5	6	4
KWH	2,000	5,000	6,000	7,000

Prepare statement showing allocation and apportionment of overheads.

- Q4) a) Write advantages of the system Budgetary Control.  
 b) Following data are available in a company for yearly period.

Particulars	(Rs.) Amt. in lakhs
i) <u>Fixed Expenses</u>	
Wages and salaries	9.5
Rent, Rates and Taxes	6.6
Depreciation	7.4
Admit Expenses	6.5
ii) <u>Semivariable Expenses</u> (at 50% capacity)	
Repairs	3.5
Indirect Labour	7.9
Sales department salaries	3.8
Sundry admin salaries	2.8
iii) <u>Variable Expenses</u> (at 50% capacity)	
Direct Material	21.7
Labour	20.4
Other expenses	7.9
Total	98.0

Other information:

- i) Assume all fixed expenses remain constant for all levels of production.
- ii) Semi-variable expenses remain constant in between 45% to 65% capacity and increases by 10% in between 65% to 80% capacity.
- iii) Sales at various levels:

(Amts in lakhs)

60% capacity :- 120

75% capacity :- 150

Prepare a Flexible Budget and Forecast the profit at 60% and 75% capacity.

OR

- a) Explain in brief Labour variances.
- b) Calculate Material Price Variance and Material Mix variance from the following information.

Standard Mix for 100 units is as under:

Material A : 110 kg @ Rs. 4.50 per kg

Material B : 90 kg @ Rs. 5.40 per kg

Actual Mix for 450 units is as under:

Material A : 500 kg @ Rs. 5.00 per kg

Material B : 400 kg @ Rs. 5.50 per kg

- Q5)** a) Write a brief note on cost-volume profit Analysis.  
b) Following details are related to a particular company.

Period	Sales (Rs.)	Profit/Loss (Rs.)
1 <sup>st</sup> Half	7,00,000	10,000
2 <sup>nd</sup> Half	9,00,000	30,000
Calculate: i) P/V Ratio		
ii) Fixed Cost		
iii) Break Even point in Rs.		

OR

- a) What are the merits of marginal costing.
- b) Following are the details of a particular company for the year 2015 and 2016.

Particulars	2015 (Rs.)	2016 (Rs.)
Sales	8,10,000	10,26,000
Profit	21,600	64,800

- Calculate: i) P/V Ratio  
ii) Fixed Cost  
iii) Profit or Loss where sales are Rs. 6,48,000

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