

Total No. of Questions : 5]

SEAT No. :

P1269

[Total No. of Pages : 4

[4470] - 101

M.B.A. (Semester - I)

**101 : Accounting for Business Decisions
(2013 Pattern)**

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) *Figures to the right indicate marks for that question/sub-question.*
- 5) *Your answers should be specific and to the point.*
- 6) *Draw neat diagrams and illustrations supportive to your answer.*
- 7) *Use of calculators is permitted (as applicable).*

Q1) a) Is there any similarity between Financial and Management Accounting?
Explain. **[10]**

OR

b) Describe various concepts and conventions of financial accounting. **[10]**

Q2) a) Do you think that the financial statements of proprietary and limited companies are same? Justify? **[10]**

OR

b) Following is the data of a manufacturing company pertaining to the financial year 2012-13 and asking you to record it at appropriate places as per Schedule VI. Name the appropriate head and financial statement. **[10]**
-Rs. 1,50,000 received towards rent for the period from May 2013 to July 2013

-Rs. 2,50,000 was sanctioned as a 'Dividend' to Equity shareholders but out of, Rs. 14,500 remain unclaimed.

-Provision of Rs. 1,00,000 made for workers benefit

-Amount of Rs. 50,000 as a Loose Tools

-Rs. 50,00,000 from business operations

-Rs. 15,000 remained as cash on 31 March 2013

-Guarantee of Rs. 60,000 for other company

-Purchase of materials for Rs. 35,000

-Rs. 7,500 paid by way of Bank interest

-Rs. 5,00,000 towards design and prototypes

P.T.O.

- Q3) a)** 'Most of the time management is concerned with two types of decisions such as long- range and short- range'. Explain the cost concepts from these decision-making points of view. **[10]**

OR

- b) i) From the following figures ascertain; prime cost and cost of production: **[2]**
 Factory overheads Rs.60,000/-, Administrative overheads Rs.40,000/-, Direct wages Rs.50,000/-, Direct materials Rs.70,000/- and Selling & Distribution overheads Rs.20,000/-
- ii) All direct/indirect items of expenses of a company are classified under following heads: **[8]**
- 1) Production
 - 2) Administration
 - 3) Selling
 - 4) Distribution
 - 5) Applicable to all four classes of the above
 - 6) To be omitted from costing records

State under which headings the following would generally be placed:

A	Factory labourer's wages	I	Lubricating oil
B	Carriage inward	J	Dividend
C	Advertisement	K	Cost of free samples
D	Works manager salary	L	Discount allowed
E	Storekeepers' wages	M	Rent
F	Plant maintenance	N	Income Tax
G	Carriage outward	O	Cleaning materials
H	Maintenance of cranes & hoists	P	Commission to travellers

- Q4) a)** Agni Company has recorded the following transactions of material during the month of September, 2013. **[10]**

Date	Particulars	Qty.	Rate
01 Sep 2013	Opening stock	300	9.70
05 Sep 2013	Purchases	250	9.80
09 Sep 2013	Issues	400	
14 Sep 2013	Purchases	300	10.00
16 Sep 2013	Issues	200	
25 Sep 2013	Purchases	150	10.50
26 Sep 2013	Issues	150	

Calculate closing stock as on 30 Sep 2013 on the basis of FIFO and LIFO method.

OR

- b) Modern company ltd. has three production department X, Y & Z and two service departments A & B. The following figures are extracted from the records of the company. [10]

Rent & Rates	Rs. 5,000	General Lightning	Rs. 600
Indirect wages	Rs.1,500	Power	Rs.1,500
Depreciation on machinery	Rs.10,000	Sundries	Rs.10,000

The following further details are available.

Particulars	Total	X	Y	Z	A	B
Floor space (Sq.ft)	10000	2000	2500	3000	2000	500
Light points (Number)	60	10	15	20	10	5
Direct wages(Rs.)	10000	3000	2000	3000	1500	500
HP of machine	150	60	30	50	10	-
Value of machine (Rs.)	250000	60000	80000	100000	5000	5000

Apportion the costs to various department on the most equitable basis

- Q5) a) The company furnishes you the following income information for the current year divided in two sub-parts [10]

Particulars	First half	Second half
Sales	Rs. 8,10,000	Rs. 10,26,000
Profit earned	Rs. 21,600	Rs. 64,800

Calculate:

- Profit/volume ratio
- Fixed cost
- Amount of profit or loss when sales are Rs. 6,48,000
- Amount of sales required to earn a profit of Rs. 1,08,000

OR

- b) Prepare a flexible budget of a manufacturing company and show the forecast of profit at 75% and 100% capacity operations, from the given data: [10]

Capacity worked, 50%	Amount in Rs.	Total Amount in Rs.
<u>Fixed costs:</u>		
Salaries	84,000	
Rent & Rates	56,000	
Depreciation	70,000	
Other Administrative exp	80,000	2,90,000
<u>Variable costs:</u>		
Materials	2,40,000	
Labour	2,56,000	
Other expenses	38,000	5,34,000

Possible sales at various levels of working are:

75% capacity - Sales Rs.11,50,000

100% capacity - Sales Rs.15,25,000

