

Total No. of Questions : 5]

SEAT No. :

P4665

[5659]-101

[Total No. of Pages : 8

M.B.A. - I

101 : ACCOUNTING FOR BUSINESS DECISIONS

(2013 Pattern) (Semester - I) (Revised)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) *All questions are compulsory.*
- 2) *All questions carries 10 marks.*
- 3) *Use of simple calculators are allowed.*

Q1) a) Financial accounting & cost accounting are not same. Discuss. [10]

OR

b) Write short notes on : -

i) Classification of cost. [5]

ii) Role of management Accounting. [5]

Q2) a) Discuss various concepts & conventions of financial accounting. [10]

OR

b) From the following Trial Balance of Mrs. Sara, prepare the final accounts as on 31st march 2018. [10]

Particulars	Dr. Amount	Cr. Amount
Capital		2,00,000
Land & Building	87,000	
Plant & Machinery	17,500	
Goodwill	20,000	
Drawings	22,600	
Cash in hand	1,795	
Stock on 1 st April 2017	27,000	
Wages	10,000	
Purchases less returns	69,000	
Carriage inward	600	
Traveller's commission & Exp	6,000	
Insurance premium	2,000	

P.T.O.

Motor car	3,000	
Carriage outword	1,400	
Sales less returns		84,000
Salaries	5,000	
Bank charges	105	
Reserve for doubtful debts		1,500
Debtors	20,000	
Creditors		7,500
Total	2,93,000	2,93,000

Adjustments: -

- i) On 31st March 2018, the stock was valued at Rs. 46,000/-
- ii) Insurance premium amounting to Rs. 800/- is prepaid.
- iii) Outstanding salaries amount to Rs. 1,000/-
- iv) Depreciation on plant & machinery @ 10% and motor car 20%
- v) Create Reserve for Doubtful debts at 10% on debtors.

Q3) a) Draw a stores ledger recerding the following transactions that took place in a month under LIFO method. **[10]**

1st Jan - Opening stock - 200 pieces at Rs. 2/- each.

5th Jan - purchases - 100 pcs @ Rs. 2.20/- each.

10th Jan - purchases - 150 pcs @ Rs. 2.40/- each.

20th Jan - purchases - 180 pcs @ Rs. 2.50/- each.

2nd Jan - Issues - 150 pcs.

7th Jan - Issues - 100 pcs.

12th Jan - Issues - 100 pcs.

28th Jan - Issues - 200 pcs.

OR

- b) From the following information, calculate : - [10]
- i) Re-ordering level.
 - ii) Minimum stock level.
 - iii) Maximum level.
 - iv) Average stock level.

Information :-

- 1) Normal consumption = 300 units per day.
- 2) Minimum consumption = 240 units per day.
- 3) Maximum consumption = 420 units per day.
- 4) Reorder Quantity = 3600 units per day.
- 5) Re-order period = 10 to 15 days.
- 6) Normal Re-order period = 12 days.

- Q4)** a) Following is a flexible budget at 60% capacity. Prepare a budget at 75% & 90% capacity. [10]

Expenses	60% capacity	
Direct materials	1,60,000	100% variable
Direct labour	40,000	80% variable
Indirect Material & spares	48,000	100% variable
Depreciation	60,000	100% fixed
Indirect labour	40,000	40% fixed
Rent	12,000	100% fixed
Electric power	8,000	40% fixed
Repairs & maintenance	20,000	40% variable
Insurance on machinery	12,000	100% fixed

OR

- b) In myra Trading Co, the standard material & standard cost per kg. of material required for the production of one unit of product A is as follows:- [10]

Material 5kg.

Standard price Rs. 5/- per kg.

The actual production related material data are as follows:-

400 units of product A

material used 2,200 kg.

Price of material Rs. 4.80 per kg.

Calculate :-

- i) Material cost variance.
- ii) Material usage variance.
- iii) Material price variance.

- Q5) a)** A company producing a single article sells it at Rs. 10/- each. The marginal cost of production is Rs. 6/- and fixed cost is Rs. 400/- P.A. [10]

Calculate

- i) P/V Ratio
- ii) The break even sales.
- iii) Sales to earn profit of Rs. 500/-
- iv) Profit at sales of Rs. 3,000/-

OR

- b) A company has 3 alternatives to produce 2 products X & Y. [10]

Alternative 1 - 100 units of X & 300 units of Y.

Alternative 2 - 200 units of X & 200 units of Y.

Alternative 3 - 350 units of X & 150 units of Y.

Fixed cost = Rs. 25,000/-

Variable cost/unit = Rs. 350 of X, Rs. 280 of Y.

Selling price/unit = Rs. 450 of X, Rs. 375 of Y.

Decide and suggest the best possible alternative to the management.

x x x

Total No. of Questions : 5]

[5659]-101
M.B.A. - I
101 : ACCOUNTING FOR BUSINESS DECISION
(2013 Pattern) (Semester - I)

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) a) Explain the role of financial accounting cost accounting and management accounting in decision making process.

OR

- b) Write short note on (Any 4)
- i) Business Entity concept.
 - ii) Matching concept.
 - iii) Materiality concept.
 - iv) Convention of disclosure.
 - v) Convention of consistency.

Q2) a) Give the format of financial statement for public Ltd. Company.

OR

- b) Explain the different views and importance of financial statements with respect of
- i) Shareholders
 - ii) Creditors
 - iii) Auditors; &
 - iv) Management

Q3) a) Explain the various elements of cost sheet and give brief on items excluded from cost sheet.

OR

[5659]-101

5

- b) Prepare a statement of a cost from the following information relating to Raj Traders for the year ended 31st March 2017.

Particulars	Amount Rs.
Cost of Materials consumed	50,000
Oil & waste	1,000
Operating Labour	10,000
Wages of foreman	1,000
Direct Expenses	4,000
Store keepers wages	500
Sales	1,50,000
Electric power	2,000
Consumables stores	1,000
Direct wages payable	10,000
Lighting	
i) Factory	1,500
ii) Office	1,200
Carriage outward	1,000
Rent	
i) Office	1,000
ii) Factory	2,000
Warehouse charges	2,000
Repairs & Renewals	
i) factory plant	5,000
ii) Machinery	1,000
iii) Office premises	2,000
iv) Warehouse	1,000
Advertising	4,000

Depreciation	
i) Office premises	1,500
ii) Machinery	2,000
Travelling Expenses	1,200
Office manager's salary	2,250
Salesmen's commission & salaries	5,000
Director's fees	5,000
Printing & stationery	1,200
Telephone charges	1,000
Postage	500
Baddebts	450

Q4) a) From the following information compute the following material variances & verify the results

- i) Material cost variance
- ii) Material price variance
- iii) Material usage variance

Materials	Standard		Actual	
	Quantity	Price	Quantity	Price
	Kgs	Rs.	Kgs	Rs.
X	40	10	20	35
Y	20	20	10	20
Z	20	40	30	30
	80		60	

OR

b) Prakash Co. Ltd, has three production departments X,Y & Z and two service departments, A and B. The following figures are extracted from the records of the company.

	Rs.		Rs.
Rent & Rates	5,000	General lighting	600
Indirect wages	1,500	Power	1,500
Dep. of machinery	10,000		

The following further details are available

	Total	X	Y	Z	A	B
Floor space (s.f)	10,000	2,000	2,500	3,000	2,000	500
Light points	60	10	15	20	10	5
Direct wages (₹)	10,000	3,000	2,000	3,000	1,500	500
H.P of machines	150	60	30	50	10	----
Value of machinery	2,50,000	60,000	80,000	1,00,000	5,000	5,000

Apportion the cost to various departments on the most equitable basis.

- Q5) a) The following is the information given by Rameshwar Industries for 50% production (10,000 units)

Raw Materials	Rs. 100 per unit
Direct labour	Rs. 80 per unit
Direct Expenses	Rs. 20 per unit
Factory Expenses	Rs. 1,00,000 (40% fixed)
Administrative Expenses	Rs. 50,000 (50% variable)

Prepare a flexible budget for production capacity at 80% and 100%.

OR

- b) Compute
- P/V Ratio
 - Fixed cost and
 - Sales volume to earn a profit of Rs. 1,20,000 from the following Information:

Sales : 1,50,000

Profit : 15,000

Variable cost : 80%

x x x