

Total No. of Questions : 5]

SEAT No. :

P2201

[Total No. of Pages : 7

[5165]-1001

M.B.A. (Semester - I)

101 : ACCOUNTING FOR BUSINESS DECISIONS

(2016 Pattern)

Time : 2.15 Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) *All questions are compulsory.*
- 2) *Each question has internal option.*
- 3) *Each question carries 10 marks.*
- 4) *Figures to the right indicate full marks.*
- 5) *Use of simple calculator is permitted.*

Q1) Short note :

- a) Users of accounting information.
- b) Uses and applicability of tally in accounting.

OR

- a) Differentiate between financial Accounting and management accounting.
- b) What is Accounting equation? Explain the accounting equation with suitable examples.

Q2) From the following particulars prepare Trading A/c, profit and loss A/c. for the year ended 31st March 2016. Also prepare Balance Sheet as on 31st March 2016.

Particular	Amount (Rs.)
Dinesh capital A/c	88,000
Dinesh drawing A/c	1,000
Plant & Machinery	50,000
Furniture & Fixture	6,000

P.T.O.

Particular	Amount (Rs.)
Loose tools	10,000
Motor car (cost Rs. 15,000)	5,000
Stock (1 st April 2015)	10,000
Purchases	1,51,000
Return inward	4,000
Return outward	2,000
Sales	2,04,000
Discount received	3,000
Wages	5,000
Carriage outward	6,000
Salaries	20,800
General exp. & Insurance	6,000
Rent & Taxes	7,200
Postage & Telegram	2,000
Parking & Selling Exp.	4,000
Sundry Debtors	24,000
Advertisement	1,000
Sundry creditors	12,000
Reserve for Bad & Doubtful Debts	1,000
Cash in hand	7,000
Bank overdraft	10,000

Adjustments :-

- 1) Depreciation on Motor car at 15% on original cost.
- 2) Loose tools valued at Rs. 8,000.
- 3) Stock on 31st March 2016 valued at 12,400.
- 4) Reserve for Bad and Doubtful Debts is to be maintained at 5% on debtors, maintain Reserve for Discounts on creditors at 2%.
- 5) Unexpired Insurance Rs. 200.
- 6) Provide for interest on capital at 6% p.a.

OR

From the following Trial Balance of Shri Sen you are asked to prepare- Trading A/c, P & L A/c and Balance Sheet.

Trial Balance as on 31st March 2016

	Dr. (Rs.)	Cr. (Rs.)
Machinery	90,000	
Building	40,000	
Stock	20,200	
Purchases	1,10,800	
Wages and Salaries	17,000	
Carriage outward	3,000	
Sundry Debtors	35,000	
General Exp.	9,100	
Rent	1,700	
Bad Debts	650	
Income Tax	300	
Legal charges	400	
Prepaid Rent	200	
Loan to Mukharjee	17,000	
Mr. Sen's Drawings	4,300	
Cash in Hand	1,350	
Cash at Bank	9,750	
Capital (Prakash Sen's)		1,15,200
Sundry creditors		45,000
Bills payable		4,000
Return outward		1,500
Interest & Commission		900
Outstanding exp.		1,150
Sales		1,90,500
Reserve for Bad & Doubtful Debt		2,500
	3,60,750	3,60,750

The following Adjustment should be taken into consideration.

- 1) Stock on 31/3/2016 valued at cost Rs. 20,900 & market price Rs. 24,000.
- 2) Depreciation on machinery at 10% and Building at 5%.
- 3) The reserve for Doubtful Debts is to be maintained at Rs. 1,000/-
- 4) Provide for Reserve for Discount on sundry creditors at 2%.
- 5) Calculate interest on capital at 5% per year.
- 6) No interest is chargable on Drawings.

Q3) From the following particulars you are required to prepare "Cost Sheet".

Particular	Amount (Rs.)
Op. Stock of Raw Material	1,00,000
Cl. Stock of Raw Material	1,50,000
Op. Stock of Finished Goods	2,00,000
Cl. Stock of Finished Goods	50,000
Purchases of Raw Material	6,00,000
Productive wages	2,50,000
Actual work expenses	1,93,750
Actual office expenses	1,52,500
Sales of finished Goods	16,25,000

You are also asked to calculate per unit profit, if selling price is Rs. 25 per units.

OR

Bombay Manufacturing Ltd. provided costing information as under for the half year ended on 30th June - 2016.

Particulars	Amount (Rs.)
Raw material stock (1 st Jan. 2016)	22,000
Finish Goods stock (1600 tonnes) on 1 st Jan. 2016	17,600
Raw material stock (30 th June 2016)	24,464
Finish Goods stock (3200 tonnes) on 30 th June 2016	35,200
Purchase of Raw Material	1,32,000
Direct wages	1,10,000
Factory overheads	44,000
Carriage Inward	1,584
W/P as on 1 st Jan. 2016	5,280
W/P as on 30 th June 2016	17,600
Cost of factory supervision	8,800
Sales (Finished Goods)	3,30,000

Selling and distribution overheads are Rs. 0.75 per tonne.

During the given period 25,600 tonnes commodity was produced.

You are required to prepare "Cost statement" showing.

- 1) Prime cost
- 2) Cost of Goods sold for the period.
- 3) Cost of sales for the period.
- 4) Net profit for the period.
- 5) Net profit per tonne of the commodity.

- Q4)** a) Write in brief about inventory control techniques.
b) From the following calculate the value of inventory on 31st March 2016 by using LIFO method.

Date	Particulars
1/03/2016	Op. stock of 400 units @ Rs. 3 each
7/03/2016	Purchases 600 units @ Rs. 4 each.
13/03/2016	Purchases 200 units @ Rs. 5 each.
18/03/2016	Issue 800 units
26/03/2016	Issue 300 units
31/03/2016	Issue 50 units.

OR

- a) Write note on "EOQ".
- b) Manu Skill Ltd. has for departments out of which L, M, N are production departments and K is service department. The costs are given below relating to these departments.

Make the apportionment of the costs to these departments.

Particulars	Dept.-L	Dept.-M	Dept.-N	Dept.-S
Area (Sq. Ft.)	75	55	45	25
No. of workers	12	08	06	04
Total wage (Rs.)	4,000	3,000	2,000	1,000
Value of plant (Rs.)	12,000	9,000	6,000	3,000
Value of stock (Rs.)	7,500	4,500	3,000	-

Particular	Amount (Rs.)
1) Rent	1,000
2) Repairs	600
3) Depreciation	450
4) Light	100
5) Supervision	1,500
6) Power	900
7) Insurance	500
8) Employee Insurance (paid by employer)	150

Q5) In the Manu Tech. Ltd., the selling price and cost remains the same in two periods given below :

Particular	Sales (Rs.)	Profit (Rs.)
Period - I	4,00,000	36,000
Period - II	4,80,000	52,000

You are required to calculate :

- 1) P/V Ratio
- 2) BEP (Rs.)
- 3) Variable cost for both the period.
- 4) MOS in percentage for both the period
- 5) Profit, when sales is Rs. 6,00,000

OR

A gang of workers normally consist of 30 men, 15 women and 10 boys. They are paid at standard hourly rate as under :

Men	Rs. 80 per Hr.
Women	Rs. 60 per Hr.
Boys	Rs. 40 per Hr.

In a normal working week of 40 Hr., the gang is expected to produce 2,000 units of output.

During the week ended 31st March 2016, the gang consist of 40 men, 10 women, 5 boys. The actual wages were paid per hour Rs. 70, Rs. 65, Rs. 30 respectively. During the process 4 Hrs. were lost due to abnormal time and 1,600 units were produced.

- Calculate : -
- 1) Labour Rate Variance.
 - 2) Labour Efficiency Variance.
 - 3) Labour Cost Variance.
 - 4) Idle Time Variance.

