

Total No. of Questions : 5]

SEAT No. :

P3869

[Total No. of Pages : 5

[5070]-5001

M.B.A. (Semester - I)

101 : ACCOUNTING FOR BUSINESS DECISIONS

(2016 Pattern)

Time : 2¼ 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 indicates marks for question / sub question.
- 5) Use of simple calculator is permitted (as applicable)

Q1) "Financial Accounting and Management Accounting are not same". Explain. [10]

OR

Write in detail accounting conventions with suitable example.

Q2) Following is the Trial Balance of ABC as on 31/03/2015. Prepare Trading Account, Profit & Loss Account for the year ended 31/03/2015 & prepare Balance Sheet as on that date. [10]

Debit Balance	Amount (Rs)	Credit Balance	Amount (Rs.)
Opening stock	25,000	Creditors	25,000
Plant	1,64,000	Bills payable	25,000
Rent	20,000	Capital	3,25,000
Salaries	30,000	Sales	4,00,000
Wages	20,000		
Carriage Inward	2,000		
Carriage Outward	3,000		
Factory Rent	5,000		
Purchases	2,25,000		
Insurance	1,000		
Furniture	80,000		
Debtors	2,00,000		
	7,75,000		7,75,000

P.T.O.

Additional Information :

- a) Closing stock valued Rs. 25,000/- as per market value and as per book value Rs. 20,000/-
- b) Depreciation on furniture Rs. 8,000/-

OR

Following is the Trial Balance & DEF as on 31/03/2010. Prepare Trading Account, Profit and Loss Account for the year ended 31/03/2010 and Balance sheet as on that date.

Debit Balance	Amount (Rs)	Credit Balance	Amount (Rs.)
Opening Stock	15,000	Bank Loan	50,000
Machinery	2,00,000	Capital	2,75,000
Insurance	1,000	Creditors	35,000
Printing & stationary	5,000	Sales	1,86,500
Telephone charges	500	Returns outward	1,500
Wages	25,000		
Advertising	15,000		
Purchases	1,00,000		
Returns Inward	1,000		
Motor Van	30,000		
Debtors	1,50,000		
Motive & Power	5,500		
	5,48,000		5,48,000

Additional Information -

- a) Closing stock valued at Rs. 5,000/-
- b) Wages outstanding Rs. 5,000/- and prepaid insurance Rs. 500/-

- Q3) a)** Explain sunk costs with suitable example. **[5]**
- b) From the following information you are required to calculate prime cost, works cost, total cost of production, cost of sales and profit. **[5]**

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Direct Labour	1,00,000	Direct Expenses	1,50,000
Factory overheads	2,00,000	Office overheads	1,80,000
Direct Material	5,00,000	Sales	15,00,000
Selling & Distribution Overheads	50,000		

OR

- a) State in brief objectives of cost accounting.
- b) Prepare a cost sheet showing prime cost, works cost, Total cost of production, cost of sales and profit from the following information related to Chennai pvt. Ltd. Chennai.

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Sales	5,00,000	Direct Wages	50,000
Direct Expenses	50,000	Factory Rent	20,000
Storekeeper salary	10,000	Salary	1,00,000
Direct Material	2,00,000	Director's fees	30,000
Showroom Rent	7,000		

Q4) ABC Ltd. Furnishes following data for the month of January, 2013. Prepare stores ledger account, pricing the material issue on the basis of LIFO method & ascertain the value of closing stock. **[10]**

Date	Particulars		
1 st	Opening stock	-	200 units @ Rs. 350/- per unit
9 th	Purchases	-	350 units @ Rs. 300/- per unit
12 th	Issues	-	400 units
19 th	Purchases	-	600 units @ Rs. 320/- per unit
20 th	Issues	-	250 units
22 nd	Purchases	-	400 units @ Rs. 340/- per unit
24 th	Issues	-	400 units
25 th	Purchases	-	100 units @ Rs. 300/- per unit
28 th	Spoilage	-	20 units.

OR

Aim Ltd. is divided into four departments P1, P2, P3 are producing departments and S1 is a service department.

The actual costs for a period are as follows :

Particulars	Amount (Rs.)	Particulars	Amount (Rs.)
Rent	2,000	Supervision	3,000
Repairs to Plant	1,200	Fire Insurance Stock	1,000
Depreciation of Plant	900	Power	1,800
Insurance of Employees	300	Light	240
Wages	15,000	Materials	10,000

Following information is available in respect of the four departments.

Particulars	P1	P2	P3	S1
Area (Sq. Meters)	1,500	1,100	900	500
No. of Employees	20	15	10	5
Total Wages (Rs.)	6,000	4,000	3,000	2,000
Value of Plant (Rs.)	24,000	18,000	12,000	6,000
Value of Stock (Rs.)	15,000	9,000	6,000	-
H.P. Plant	24	18	12	6
Total Materials (Rs.)	3,000	3,000	4,000	-

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

Q5) KLM industries furnishes following information for the level of output of 1,000 units for the year 2010. **[10]**

Selling Price Per Unit = Rs. 100/-

Variable Cost Per Unit = Rs. 40/-

Total Fixed Cost = Rs. 30,000/-

Find :

- a) P/V Ratio
- b) BEP in units
- c) BEP in sales
- d) The amount of sales required to earn profit of Rs. 42,000/- (assuming fixed cost in total remains same.)

OR

From the following prepare cash budget for 3 months for January, February and March, 2012.

Month	Total Sales (Rs.)	Materials (Rs.)	Wages (Rs.)	Overheads	
				Production (Rs.)	Selling & Dist (Rs.)
January	40,000	42,000	8,000	6,400	1,600
February	44,000	28,000	8,800	6,600	1,800
March	48,000	28,000	9,200	6,600	1,600
April	52,000	24,000	9,200	6,800	1,800
May	56,000	24,000	9,600	7,000	1,800
June	60,000	32,000	9,600	7,200	2,000

- Cash balance on January 1, 2012 was Rs. 20,000/-
- A new machine is to be installed at Rs. 60,000/- On credit, to be repaid by two equal installments in March & April, 2012
- Period of credit allowed by suppliers 1 month
- Period of credit allowed to customers 1 month
- Delay in payment of overheads 1 month
- Delay in payment of wages 1 month
- Assume cash sales to be 50% of total sales.

