

Total No. of Questions :5]

SEAT No. :

P3854

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M.B.A. - I

101 : ACCOUNTING FOR BUSINESS DECISIONS

(2016 Pattern) (Semester - I)

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 indicate marks for questions / sub questions.*
- 5) *Use of simple calculator is permitted.*

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

OR

Explain any Five accounting concepts with suitable example. **[10]**

Q2) The following trial balance of Mr. Shah prepare the final account as on 31st March 2017. **[10]**

Particulars	Dr. ₹	Cr. ₹
Capital		2,00,000
Land & Building	87,000	
Plant & Machinery	17,500	
Goodwill	20,000	
Drawings	22,600	
Cash in hand	1,795	
Opening stock	27,000	

P.T.O.

Wages	10,000	
Purchases	69,000	
Carriage Inward	600	
Travellers commission	6,000	
Insurance Premium	2,000	
Motor car	3,000	
Carriage outward	1,400	
Sales		94,000
Salaries	15,000	
Bank charges	105	
RDD		1,500
Debtors	20,000	
Creditors		7,500
	3,03,000	3,03,000

Adjustments :-

- On 31st March 2017 the stock was valued at ₹ 46,000/-
- Depreciation on Plant & Machinery 10% and Motor car 20%
- Create a Reserve for Doubtful Debts at 10% on Debtors.
- Insurance premium amounting to ₹ 800 is prepaid.
- Outstanding salaries amount to ₹ 1000.

OR

The following balances were extracted from the books of Mr. Ashok as on 31st March 2017. Prepare Trading and profit and loss account for the year ended 31st March 2017 and the Balance sheet as on that date after taking into account the following adjustments : [10]

Particulars	Dr. (₹)	Cr. (₹)
Capital		3,30,000
Drawings	24,450	
Opening stock	2,00,000	
Bills receivable	25,000	
Purchases	2,75,000	
Sales		4,20,000
Bills payable		60,000
Return outwards		4,500
Return inward	5,000	
Plant & Machinery	1,00,000	
Loose tools	25,000	
Land & Building	25,000	
Sundry Debtors	1,25,000	
Sundry Creditors		1,40,000
Cash at bank	77,550	
Salaries & wages	50,000	
Repairs & Renewals	7,500	
Insurance	3,000	
Power & Fuel	3,500	
Printing & Stationery	2,000	
General expenses	6,500	
	9,54,500	9,54,500

Adjustments :-

- a) Closing stock was worth ₹ 1,30,000.
- b) Depreciation Land & building 15% and Plant & Machinery by 5%.
- c) Provide for Bad and Doubtful Debts at 5% on Debtors.
- d) Insurance paid in advance to the extent of ₹ 750.
- e) Revalue tools at ₹ 20,000.
- f) Provide for outstanding expenses as follows :
Salaries ₹ 2,500 and wages ₹ 1,000.

- Q3)** a) Explain in brief classification of cost as per elements. **[5]**
- b) From the following information prepare cost sheet. **[5]**

<u>Particulars</u>	<u>Amt.</u>
Sales	5,00,000
Direct wages	1,10,000
Factory Rent	30,000
Direct Material	2,90,000
Showroom Rent	15,000
Direct expenses	10,000
Printing & Stationery	5,000
Audit Fees	15,000

OR

- a) Write a short note on Relevant and irrelevant cost. **[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]

<u>Particulars</u>	<u>Amt.</u>
Sales	1,00,000
Direct Material	40,000
Direct expenses	2,000
Factory Overheads	7,000
Direct Wages	10,000
Selling & Distribution overheads	2,000
Administrative overheads	5,000

- Q4)** Modern company Ltd. furnishes following data for the month of July 2017. Prepare store ledger account, pricing the material issue on the basis of LIFO Method and ascertain the value of closing stock. [10]

<u>Date</u>	<u>Particulars</u>
1	Opening stock - 100 units at ₹ 1.80
5	Purchases - 150 units at ₹ 1.50
8	Issues - 200 units
12	Purchases - 300 units at ₹ 1.60
18	Issues - 250 units
22	Purchases - 400 units at ₹ 1.70
29	Issues - 400 units
30	Spoilage - 50 units

OR

The Ultra Modern Company Ltd. is divided into four departments A, B & C production departments and D is service department. You are required to allocate the following common overheads expenses on the basis of information given below. [10]

<u>Particulars</u>	₹
Power	10,700
Rent and Rates	32,000
Lighting	5,000
Insurance of Factory building	3,600
Insurance of Machinery	7,200
Depreciation of Machinery	36,000
Supervision charges	25,000

Other Information :-

	Production Dept.			Service Dept.
	A	B	C	D
Horse Power hours ratio	25	35	30	10
Space occupied sq.ft	800	600	400	200
Value of Machinery (₹)	40,000	60,000	30,000	70,000
Lighting Points	50	30	20	25
Time devoted for supervision	20%	30%	25%	25%

Q5) The sales turnover and profits during two years were as follows : [10]

<u>Year</u>	<u>Sales</u>	<u>Profit</u>
2016	45,00,000	5,00,000
2017	50,00,000	7,00,000

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You are required to calculate

- a) P/V Ratio.
- b) Fixed cost.
- c) Break Even point (₹)
- d) Sales to earn profit of ₹ 10,00,000.
- e) Margin of safety.

OR

From the following information, prepare a flexible budget at 60% and 80% capacity. [10]

<u>Particulars</u>	<u>70% capacity (₹)</u>
Variable overheads :	
Indirect Material	5,000
Indirect Labour	15,000
Semi-variable overheads :	
Electricity (60% variable)	50,000
Repairs & Maintenance (35% fixed)	5,000
Fixed overheads :	
Salaries	10,000
Depreciation on machine	14,000
Insurance	6,000
	1,05,000

