

Total No. of Questions : 5]

SEAT No. :

P2178

[5465]-1001

[Total No. of Pages : 4

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 full marks for question/subquestion.*
- 5) *Use of simple calculator is permitted.*

- Q1)** a) Explain different forms of business organisation? [5]
b) Explain the accounting convention. [5]

OR

- a) Define accounting. Who are the users accounting information? [5]
b) Explain the use of Tally in Accounting. [5]

- Q2)** From the following trial balance of Rajan, prepare trading and profit and loss Account for the year ended 31.3.2016 and the Balance Sheet on at that date after taking into account the adjustments given below: [10]

Trial Balance as on 31.3.2016

Dr			Cr
Particulars	₹	Particulars	₹
Drawings	7,600	Capital	2,90,000
Purchases	89,000	Sales	1,50,000
Sales Return	2,800	Purchases Return	4,500
Stock (1.4.2015)	12,000	Interest	3,500
Wages	8,000	Sundry creditors	12,000
Building	2,20,000	Bills payable	7,000
Freight	20,000		
Trade Expenses	2,000		
Advertisement	2,400		
Taxes & Insurance	1,300		
Sundry Debtors	65,000		
Bills Receivables	15,000		
Cash at Bank	12,000		
Cash in hand	1,900		
Salaries	8,000		
	4,67,000		4,67,000

P.T.O.

Adjustments:

- 1) Stock on 31.3.16 was valued at ₹15,000.
- 2) Insurance was prepaid of ₹400.
- 3) Salary outstanding ₹2000 and taxes outstanding ₹1300.
- 4) Depreciate Building at 2% p.a

OR

Following Trial Balance is prepared on 31.3.16 from Asha's book. Prepare Trading and profit and Loss Account for the year ended 31.3.16 & the Balance Sheet as on that date after taking into account the adjustment given below.[10]

Trial Balance as on 31.3.2016

Dr.			Cr.
Particulars	₹	Particulars	₹
Cash in hand	8,000	Sales	5,00,000
Cash at Bank	12,000	Creditors	40,000
Wages	20,000	Capital	3,20,000
Machinery	2,12,000	Commission	2,800
Bills Receivables	40,000		
Opening stock	84,000		
Purchases	3,30,000		
Sales Return	6,000		
Salaries	32,000		
Debtors	86,000		
Taxes	22,000		
Bad debts	6,000		
Freight	4,800		
	8,62,800		8,62,800

Adjustments :

- 1) Closing stock ₹90,000/-
- 2) Outstanding salaries ₹3,200 and wages ₹2000.
- 3) Prepaid insurance ₹900 and accrued commission ₹1200.
- 4) Charge 10% depreciation on machinery.

- Q3) a) What do you mean by cost accounting? Explain objectives of cost accounting. [5]
- b) Calculate material consumed, prime cost and works cost : Opening stock of raw material 40,000/-, closing stock of raw materials 50,000/-, purchase of raw material 4,00,000/-, Direct labour 3,00,000/-, Indirect labour 10,000/-, carriage outward 20,000/-, lubricant 10,000/-, Factory rent 60,000. [5]

OR

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- a) Write short note on classification of costs. [5]
- b) Identify whether following expenses are factory/ office and administration/ selling and distribution overheads. [5]
- Show room rent.
 - Cleaning charges.
 - Storekeepers wages.
 - Labour welfare expenses.
 - Legal fees.
 - Travelling expenses.
 - General manager's salary.
 - Consumable stores.
 - Sundry expenses
 - Counting house salary.

Q4) The following transactions took place in respect of material A for March - 2013:

Date	Receipts Rate	Receipts Units	Issues Units
1/3/13	1	400	-
10/3/13	1.20	600	-
16/3/13	-	-	500
19/3/13	1.30	500	-
25/3/13	-	-	400

Prepare stores ledger accounts, pricing the issues at simple average method. [10]

OR

M & Co. has 3 production departments and 2 service departments. The expenses are as given below.

Consumable stores ₹15,400/- Supervision ₹22,800/-, Rent - ₹10,000/-, Insurance ₹2,000, Depreciation ₹30,000/-, Power ₹9,000/-, light & heat - ₹4000/-

The following information is available.

Bases	Production Depts.			Service Depts	
	Machine	Assembly	Finishing	Stores	Repairs
Direct material	34%	39%	13%	4%	10%
Direct wages	35%	22%	27%	10%	7%
Area (sq.ft)	5,250	3,500	4,375	1,750	2,625
Asset value (₹)	2,00,000	2,25,000	50,000	12,500	12,500
H. P × hours × LF	10,800	7,200	-	-	-

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- a) Prepare the primary Distribution statement using the most appropriate basis for apportionment.
- b) The Machine shop, Assembly shop and Finishing Department have issued stores requisitions in the ratio of 9:6:5 and repairs requests in the ratio of 2:3:1 prepare the secondary Distribution statement on direct distribution basis. [10]

Q5) The turnover and profits during the two periods were as follows:-

	Sales (₹)	Profits (₹)
Period - I	40 Lakhs	4 Lakhs
Period - II	60 Lakhs	8 Lakhs

Assuming that the cost structure & selling prices remain the same in the two periods. Calculate:-

Profit Volume Ratio, BEP sales, the sales required to earn profit of ₹10 lakhs, margin of safety in period II. [10]

OR

In a factory, 100 workers are engaged and the average rate of wages is 50 paise per hr. Standard working hrs, per week are 40 & the standard performance is 10 units per gang hr.

During a week in March, wages paid for 50 workers were at the rate of 50 paise per hr. 10 workers at 10 paise per hr. and 40 workers at 40 paise per hr. Actual output was 380 units.

The factory did not work for five hours due to break down of machinery. Calculate Labour cost variance, Labour rate variance, Labour efficiency variance, idle time variance, Labour yield variance. [10]

