

Roll No.

56005

MBA 2 Yr. Ist Sem. (N. S.) Batch 2011-13
Examination – December, 2012

ACCOUNTING FOR MANAGERS

Paper : MBA-105

Time : Three Hours]

[M.M. : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Attempt five questions in all. Section 'A' is compulsory. Attempt four questions selecting one question from each Unit in Section 'B'. All questions carry equal marks.

SECTION – A

1. (a) Give *two* differences between Management Accounting and Financial Accounting.
- (b) Define the term Journal.
- (c) What is Break Even analysis ?
- (d) Explain Fund Flow analysis.
- (e) What is standard cost ?
- (f) Give *two* methods of inventory valuation.
- (g) Difference between fixed cost and variable cost
- (h) Give *two* limitations of ratio analysis. 2 × 8

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SECTION - B

UNIT - I

2. (a) Give importance of Financial Accounting.
(b) Difference between straight line method and diminishing balance method of depreciation.

6 + 10

3. A Book-keeper has submitted to you the following Trial Balance of Mr. Patel where in total of debit and credit balances is not equal :

Particulars	Dr. Balance (Rs.)	Cr. Balance (Rs.)
Capital	-	15,340
Cash in Hand	-	60
Purchases	17,980	-
Sales	-	22,120
Cash at Bank	1,770	-
Fixtures & Fittings	450	-
Free hold Premises	3,000	-
Lighting and Heating	130	-
Bills Receivables	-	1,650
Returns Inwards	-	60
Salaries	2,150	-
Creditors	-	3,780
Debtors	11,400	-
Stock (April 1, 2008)	6,000	-
Printing	450	-

Bills Payable	3,750	-
Rates, Taxes and Insurance	380	-
Discounts Received	890	-
Discount Allowed	-	400
	<u>48,350</u>	<u>43,410</u>

- (i) You are required to redraft the Trial Balance correctly.
- (ii) Prepare Trading and Profit & Loss A/c after taking into account the following adjustments.
- (a) Stock in hand on March 31, 2009 was valued at Rs. 3,600
- (b) Depreciate Fixtures and Fitting by Rs. 50.
- (c) Rs. 700 was due and input in respect of salaries.
- (d) Rates and Insurance has been paid in advance to the extent of Rs. 80 6 + 10

UNIT - II

4. Explain briefly the steps to be followed in preparing funds flow statements. 16

5. From the following details, make out the Balance Sheet with as many details as possible.

Stock Velocity	: 6
Capital Turnover Ratio	: 2
Fixed Assets Turnover	: 4
Gross Profit Turnover Ratio	: 20%
Debtors Velocity	: 2 months
Creditors velocity	: 73 days

The gross profit was Rs. 60,000. Reserve & Surplus amounts to Rs. 20,000. Closing Stock was Rs. 5000 in excess of opening stock. 16

UNIT – III

6. What do you understand by Cost Accounting ? Describe briefly the various methods of costing with suitable examples. 16
7. Write notes on the following :
- (a) Methods of Investing Valuation
 - (b) Activity Based Costings.

UNIT – IV

8. Management Accounting aims at providing financial results of the business to the management for taking decisions. Explain the statement by bringing out advantages of management accounting.
9. With the following data for a 60% capacity, Prepare a budget for production at 80% and 100% capacity :
- Production at 60% activity : 6000 units
- | | | |
|----------------------|---|--------------------------|
| Material | : | Rs. 1000 per unit |
| Labour | : | Rs. 400 per unit |
| Direct Exps. | : | Rs. 100 per unit. |
| Factory overheads | : | Rs. 4,00,000 (40% fixed) |
| Administration Exps. | : | Rs. 3,00,000 (60% Fixed) |

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