

[6118]-1001

M.B.A.

**101 : GC-01 : MANAGERIAL ACCOUNTING
(2019 Pattern) (Revised) (Semester - I) (Theory)**

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Each question carries equal marks.

Q1) Solve any FIVE :

[5 × 2 = 10]

1. i) Purpose of accounting is to provide financial information to
 - a) Shareholders
 - b) Tax Authorities
 - c) Investors
 - d) All of these
- ii) Credit may signify
 - a) Decrease in assets
 - b) Increase in liability
 - c) Increase in capital
 - d) All of these
2. Write any four users of accounting information.
3. Write any two objectives of financial statement.
4. i) Which one of the following is current asset?
 - a) Goodwill
 - b) Machinery
 - c) Debtors
 - d) Building
- ii) The Statement of Financial Position gives the information about
 - a) Assets and Liabilities
 - b) Income
 - c) Expenses
 - d) Credit
5. What is Prime Cost?
6. i) Fixed cost includes _____.
 - a) Property taxes
 - b) Rent
 - c) Insurance premium
 - d) All of the above
- ii) The point of profit at which the total cost will be equal to total revenue is called :
 - a) Break-even point
 - b) Margin of safety
 - c) The profit lines
 - d) Contribution
7. Define standard costing.

The following adjustments are to be made :

- Closing stock on 31-03-2022 was valued at Rs. 1,20,000.
- Interest on bank loan was outstanding of Rs. 7,000.
- Depreciate plant & Machinery at 10%.

As an Accountant you are required to prepare trading and profit and loss account for the year ended 31st March 2022 and a balance sheet as on that date.

OR

- The following figures extracted from the books of Pune Pioneer Products Ltd. for the year ended on 31.3.2022. As a Cost Accountant you are required to prepare a statement of the cost to show the prime cost, factory cost, cost of production, total cost and calculate profit/loss for the year 2021-22. [10]

Particulars	Amount (Rs.)
Direct Material	57000
Direct Wages	28500
Factory rent & rates	2500
Office rent and rates	500
Plant depreciation	1250
Factory manager's salary	2000
Factory heating & lighting	400
Plant repairs & maintenance	1000
Office salary	1600
Director's Remuneration	1500
Telephone & postage	200
Printing & Stationary	100
Administration charges	150
Salesman salaries	2500
Advertisement	1500
Showroom rent	500
Sales	116000

Q4) Solve any ONE :

- a) Pepsi Company produces a single article. Following cost data is given about its product : [10]

Selling price per unit- Rs. 40

Marginal cost per unit-Rs. 24

Fixed cost per annum- Rs. 16000

You have appointed as Cost Accountant, analyse the following :

- i) P/V ratio
- ii) Break even sales
- iii) Sales to earn a profit of Rs. 2,000
- iv) Profit at sales of Rs. 60,000
- v) New break even sales, if price is reduced by 10%.

OR

- b) As a Cost Accountant, from the following information you are required to analyse : [10]

Year	Sales	Profit
2021	1,20,000	8,000
2022	1,40,000	13,000

- i) P/V Ratio
- ii) BEP
- iii) Profit when sales are Rs.1,80,000
- iv) Sales required to earn a profit of Rs. 12,000
- v) Margin of safety in year 2022

Q5) Solve any ONE :

- a) Bookhive Ltd. is appointed you as a finance executive. As a finance executive you are required to evaluate and prepare a flexible budget to present to the management for the production capacity of 80% and 60%. The expenses budgeted for production of 10,000 units at 100% capacity in a factory are furnished below: [10]

	Rs. Per Unit
Material	70
Labour	25
Variable overheads	20
Fixed overheads	10
Variable expenses (Direct)	5
Selling expenses (90% variable)	13
Distribution expenses (80% variable)	7
Administration expenses (Fixed Rs. 50000)	5
Total	<u>155</u>

Assume that administration expenses are rigid for all levels of production.

OR

- b) As a finance executive you are required to assess Material Cost Variance, Material Price Variance and Material Usage Variance from the given information : [10]

	Standard			Actual		
	Qty. Kgs.	Price Rs.	Value Rs.	Qty. Kgs.	Price Rs.	Value Rs.
Material A	1200	10	12000	1100	12	13200
Material B	500	16	8000	600	14	8400
Material C	300	20	6000	450	18	8100
	2000		26000	2150		29700



Total No. of Questions : 5]

PA-4153

SEAT No. :

[Total No. of Pages : 6

[5946]-101

M.B.A. - I

(GC-01) MANAGERIAL ACCOUNTING
(2019 Pattern) (Semester - I) (101) (Theory)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Each question carries equal marks.

Q1) Solve any five

[5×2=10]

- a) The left hand side of an account is called the _____ side while the right hand side of an account is called the _____ side.
- b) Write any two objectives of financial statement.
- c) Give two examples of tangible and intangible assets?
- d) i) The long-term assets that have no physical existence but are rights that have value is known as:
 - 1) Current Assets
 - 2) Fixed Assets
 - 3) Intangible Assets
 - 4) Tangible Assets
- ii) The process of entering all transactions from the Journal to Ledger is called:
 - 1) Posting
 - 2) Entry
 - 3) Accounting
 - 4) None of the above

P.T.O.

- e) i) _____ are the process and techniques of ascertainment of cost.
- 1) Cost
 - 2) Costing
 - 3) Cost Accounting
 - 4) Cost Accountancy
- ii) Element/s of Cost of a product are:
- 1) Material Only
 - 2) Labour Only
 - 3) Expenses Only
 - 4) Material, Labour and Expenses
- f) What is Break-Even Point?
- g) Define standard costing.
- h) i) _____ budget is a budget which is designed to remain unchanged irrespective of the volume of output or turnover achieved.
- 1) Fixed
 - 2) Flexible
 - 3) Cash
 - 4) Sales
- ii) The main objective of budgetary control is:
- 1) to define the goal of the firm
 - 2) to coordinate different departments
 - 3) to plan to achieve its goals
 - 4) all of the above

Q2) Solve any two

[2×5=10]

- Explain the Elements of Cost along with relevant examples.
- Differentiate between cost accounting and financial accounting.
- Who are the users of accounting information? Explain.

Q3) Solve any one

- The following trial balance has been extracted from the books of Rajesh on 31st March, 2021. [10]

Trial Balance

As on 31st March 2021

Debit Balance	Amount R	Credit Balance	Amount R
Drawings	44,000	Capital	1,76,000
Plant and machinery	1,00,000	Sales	4,72,000
Opening stock	20,000	Provision for bad and doubtful debts	2,000
Purchases	2,70,000	Bank overdraft	20,000
Wages	62,000	Discount received	6,000
Salaries	70,000	Sundry creditors	24,000
Insurance	45,000		
Rent and taxes	19,000		
Sundry debtors	70,000		
	7,00,000		7,00,000

The following adjustments are to be made:

- Stock on 31st March 2021 was Rs. 28,000
- Provision for doubtful debts is to be maintained at 5% on sundry debtors.
- Depreciate plant and machinery at 20%

As an Accountant you are required to prepare trading and profit and loss account for the year ended 31st March 2021 and a balance sheet as on that date.

- b) The following figures extracted from the books of Alfa Ltd for the year ended on 31.3.2021. As a Cost Accountant you are required to prepare a statement of the cost to show the prime cost, factory cost, cost of production, total cost and calculate profit/loss for the year 2020-22. [10]

Particulars	Amount Rs.
Direct Materials	70000
Indirect Wages	10000
Factory Rent & Rates	50000
Indirect Materials	500
Depreciation of Office Assets	100
General Factory Expenses	5700
General Selling Expenses	1000
Office Salaries	4500
Advertisements	2000
Direct Wages	75000
Other Direct Expenses	15000
Office Rent & Rates	500
Depreciation of Machines	1500
Salary to Managing Directors	12000
Travelling Expenses	1100
General Office Expenses	1000
Carriage Outward	1000
Sales	250000

Q4) Solve any one

[10]

a) As a Cost Accountant, from the following information you are required to analyse :

- i) Profit volume ratio
- ii) BEP
- iii) Margin of safety
- iv) Profit if sales are Rs.1,00,000
- v) Sales required to earn a profit of Rs. 20,000

Year	Sales	Profit
2017	1,20,000	9,000
2018	1,40,000	13,000

b) Aadesh Enterprise Ltd. furnished you the following related to the year 2021. [10]

	Rs.
Sales	2150000
Variable cost	120000
Gross Profit	60000
Fixed cost	20000
Net Profit	40000

You have appointed as Cost Accountant, analyse the following:

- i) P/V Ratio
- ii) BEP
- iii) Profit when sales are Rs. 400000
- iv) Sales required to earn a profit of Rs. 80000
- v) Margin of safety when sales are Rs. 400000

Q5) Solve any one

- a) M.K. Exports Ltd. wishes to arrange overdraft facilities with its bankers during the period April-June 2021 when it will be manufacturing mostly for stocks. A company is appointed you as a finance executive. As a finance executive you are required to evaluate and prepare a cash budget for this period from the following data, indicating the extent of the bank facilities the company will require at the end of each month. [10]

Period	Sales	Purchases	Wages
	Rs.	Rs.	Rs.
Feb. 2021	1,80,000	1,24,000	12,000
March 2021	1,92,000	1,44,000	14,000
April 2021	1,08,000	2,43,000	11,000
May 2021	1,74,000	2,46,060	10,000
June 2021	1,26,000	2,68,000	15,000

- i) 50 per cent of the sales are realised in the month following the sales and the remaining 50 per cent in the second month following.
- ii) Creditors are paid in the month following the month of purchase.
- iii) Cash at bank on 1st April 2021 is Rs. 25,000.
- b) As a finance executive you are required to assess Material Cost Variance, Material Price Variance and Material Usage Variance from the given information: [10]

	Standard			Actual		
	Qty.	Price	Value	Qty.	Price	Value
	Kgs.	Rs.	Rs.	Kgs.	Rs.	Rs.
Material A	100	5	500	100	4	400
Material B	80	4	320	90	5	450
Material C	40	2	80	50	3	150
	220		900	240		100

x x

Total No. of Questions : 21

P6858

SEAT No. :

[Total No. of Pages : 7]

[5860]-101

First Year M.B.A.

101 - GC - 01 : MANAGERIAL ACCOUNTING

(2019 Pattern) (Semester - I)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.
- 2) Each question carries equal marks.

Q1) Solve any five:

[5 × 2 = 10]

A) Match the following pairs:

Group A	Group B
a) Business Entity Concept	i) Segmentation of the existence of the organization into time periods.
b) Going Concern Concept	ii) Permanency Nature of a business
c) Money Measurement Concept	iii) Separation between the business and its owner
d) Accounting Period Concept	iv) Recording of the business resources at cost only
	v) Transactions expressed in monetary term to be recorded in the books of accounts

B) Give one word for the following:

- a) Amount which is irrecoverable from the debt.
- b) Articles in which a business deals.

C) What are elements of cost?

D) Match the following pairs:

Group A	Group B
a) Variable Cost	i) Relationship of Gross Margin to Turnover
b) Margin of Safety	ii) Contribution = Fixed Cost
c) P/V ratio	iii) Break – Even Analysis
d) Break – Even Point	iv) Zero at BEP
	v) Controllable in nature

E) a) Overhead refers to:

- i) Direct or Prime Cost
- ii) All Indirect costs
- iii) Only Factory indirect costs
- iv) Only indirect expenses

b) Which of the following items is not shown on Credit column of trial balance?

- i) General Reserve
- ii) Commission Received
- iii) Purchase Return
- iv) Goodwill and Patents

F) a) State the advantages of double entry accounting system.

b) Enumerate the concept of Real A/C and give examples.

G) a) A flexible budget requires careful study and classification of expenses into _____.

- i) Past and current expenses
- ii) Fixed, Semi-variable and variable expenses
- iii) Administrative, Selling and factory expenses
- iv) None of the above

- b) Cost Variance is the difference between _____
- i) The standard cost and marginal cost
 - ii) The standard cost and budgeted cost
 - iii) The standard cost and actual cost
 - iv) None of the above
- H) a) Interest on loan paid by business is an example of _____.
- i) Deferred expenditure
 - ii) Capital expenditure
 - iii) Revenue expenditure
 - iv) None of the above
- b) Which item shows a debit balance in the Trial balance?
- i) Purchase Return
 - ii) Salary Outstanding
 - iii) Sales
 - iv) Prepaid expense

Q2) Solve any two:

[2 × 5 = 10]

- a) A firm maintains subsidiary books and journals, then why is it essential for it to prepare ledger accounts?
- b) How does cost volume profit (CVP) analysis help the management of a firm in its decision making?
- c) Explain variable, fixed and semi-variable costs and cite examples for these.

Q3) Solve any one:

- a) From the following Trial Balance of B & B Sons., Bhopal, prepare Trading and Profit & Loss Account for the year ended 2020 and a Balance Sheet as on that date after considering the following adjustments.

Trial Balance as on 31st March 2020

Particulars	Debit (Rs.)	Credit (Rs.)
Bharat's Capital	-----	2,00,000
Land & Buildings	87,000	
Plant & Machinery	17,500	
Goodwill	20,000	
Bharat's Drawing	22,600	
Cash in hand	1,795	
Stock as on April 2020	27,000	
Wages	10,000	
Purchases Less Returns	69,000	
Carriage Inward	600	
Traveller's Commission and Expenses	6,000	
Insurance Premium	2,000	
Motor Car	3,000	
Carriage Outward	1,400	
Sales Less Returns	-----	94,000
Salaries	15,000	
Bank Charges	105	
Reserve for Doubtful Debts	---	1,500
Debtors	20,000	
Creditors	---	7,500
Total		

Adjustments:

- On 31st March 2020 the stock was valued at Rs.46,000.
- Insurance Premium amounting to Rs.300 is prepaid.
- Outstanding salaries amounted to Rs.1000.
- Depreciate Plant & Machinery @ 10% p.a. and Motor Car @ 20% p.a.
- Create a Reserve for Doubtful Debts @ 10% on Debtors.

- b) Prepare a Statement of Cost from the following information relating to Shah Traders, Mumbai for the year ended 31.03.2020.

Particulars	Amount (Rs.)
Cost of Direct Materials	2,00,000
Sales	4,00,000
Direct Wages	1,00,000
Office Indirect Materials	5,000
Cost of special patterns	40,000
Postage and Telegram	2,000
Factory Rent and Insurance	5,000
Outstanding Chargeable expenses	2,000
Carriage Outward	2,500
Interest on Loan	2,150
Printing and Stationery	500
Factory Indirect Wages	3,000
Selling expenses	4,000
Travelling and Salesman's Salary	4,000
Factory Indirect Materials	1,000
Royalties	8,000
General Works Overheads	2,000

Q4) Solve any one:

- a) Sales Rs.1,00,000; Profit Rs.10,000; Variable cost 70%.

Find out:

- P/V ratio
 - Fixed Cost
 - Sales volume to earn a Profit of Rs.40,000.
- b) The sales turnover and profit during two years were as follows:

Year	Sales (Rs.)	Profit (Rs.)
2020	1,40,000	15,000
2021	1,60,000	20,000

You are required to calculate:

- P/V ratio
- Sales required to earn a profit of Rs.40,000.
- Profit when sales are Rs.1,20,000.

Q5) Solve any one:

[1 × 10 = 10]

- a) The Standard mix to one unit of product is as follows:

Material	Standard		Actual	
	Quantity	Rate (Rs.)	Quantity	Rate (Rs.)
Material A	40	Rs.10/kg	20	Rs.35/kg
Material B	20	Rs.20/kg	10	Rs.20/kg
Material C	20	Rs.40/kg	30	Rs.30/kg

From the following information compute the following variances:

- Material Cost Variance
- Material Price Variance
- Material Usage Variance

- b) Bright Co. Ltd. wishes to arrange overdraft facilities with its bankers from the period March to August 2021 when it will be manufacturing mostly for stock. Prepare a cash budget for the above period from the following data given below:

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Manufacturing expenses (Rs.)	Office expenses (Rs.)	Selling expenses (Rs.)
January	1,70,000	80,000	15,000	10,000	5,000	7,000
February	1,60,000	84,000	16,000	11,000	5,500	7,500
March	1,82,000	83,000	16,800	8,000	4,500	6,500
April	1,55,000	83,000	12,000	10,500	4,750	6,800
May	1,65,000	76,000	18,000	12,000	5,400	7,400
June	2,00,000	68,000	16,000	9,600	5,700	7,000
July	1,80,000	70,000	17,000	8,000	5,000	6,000
August	2,20,000	56,000	16,500	9,600	5,500	5,500

Additional Information:

- i) Opening Cash Balance on 1st March, 2021 was Rs. 20,000.
- ii) Credit period allowed to customers - 1 month.
- iii) Credit period allowed by suppliers - 1 month.
- iv) Lag in payment of manufacturing expenses, office expenses and Selling expenses - 1 month.
- v) Machinery purchased for Rs. 30,000 in March payable on delivery.
- vi) Building purchased in April for Rs. 1,50,000 payable in two equal installments in May and July.
- vii) Delay in payment of wages - 1 month.
- viii) 5% commission of sales payable two months after sales.



Total No. of Questions : 5]

SEAT No. : Extra

[Total No. of Pages : 5

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[5565]-1001

M.B.A.

101 : ACCOUNTING FOR BUSINESS DECISIONS (2016 Pattern) (Semester - I)

[Max. Marks : 50

Time : 2¼ Hours]

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 allowed.

- Q1) a) Write short notes on :
- i) Users of accounting information. [5]
 - ii) Concepts in accounting. [5]
- OR
- b) Differentiate between Cost Accounting and Financial Accounting. [10]
- Q2) a) Given below is the Trial Balance of Mrs. XYZ as on 31st March 2018.
Trial Balance as on 31-3-2018.

Dr.	Amount	Particulars	Cr. Amount
Cash in hand	6,000	Bank Loan	20,000
Sundry Debtors	23,300	Sundry Creditors	15,000
Bills Receivable	10,000	Sales	65,800
Opening stock	16,000	Purchase Return	3,700
Purchases	37,900	Bills Payable	8,000
Sales returns	800	Discount received	25,000
Salaries	11,000	Capital	55,000
Wages	2,000		
Advertisements	3,200		
Discount allowed	1,000		
Machinery	40,000		
Carriage	2,500		
Insurance	1,800		
Drawings	2,500		
Octroi Duty	800		
Furniture	8,000		
Office Rent	3,200		
	1,70,000		1,70,000

P.T.O.

Adjustments :

- i) Closing stock of goods on 31-3-18 was valued at 21,000/-
- ii) Depreciate Furniture by 5% and Machinery by 10% p.a.
- iii) Outstanding salary Rs. 1000/- and wages Rs. 500/-
- iv) Prepaid insurance Rs. 300/-

Prepare Trading & Profit and Loss A/c for the year ending 31-3-2018 and Balance Sheet as on that date. [10]

OR

b) The Trial Balance of Mr. PQR as on 31-3-2018 was as under.

Dr.		Cr.	
Particulars	Amount	Particulars	Amount
Plant & Machinery	78,000	Capital	2,00,000
Furniture	20,000	Sales	1,47,000
Purchases	60,000	Returns	750
Returns	3,000	Discount	800
Opening Stock	30,000	Creditors	30,625
Discount	425		
Sundry Debtors	1,45,000		
Salaries	7,550		
Wages	10,000		
Carriage outward	1,200		
Rent	10,000		
Advertisement	2,000		
Cash	12,000		
	3,79,175		3,79,175

Adjustments :

- i) Closing stock was valued at Rs. 54,220/-
- ii) Provision for Bad Debts is to be kept Rs. 500/-
- iii) Interest on capital at 5% p.a.
- iv) Depreciate Plant & Machinery @ 10% p.a.
- v) The proprietor has taken goods worth Rs. 5,000/- for personal use and distributed goods worth Rs. 10,000/- as free samples.

Prepare Trading A/c, Profit & Loss A/c and Balance Sheet as on 31-3-2018. [10]

- Q3) a) i) From the following information, calculate Prime cost, Works cost, Cost of production cost of Sales and Profit. [5]

Direct Material	30,000/-
Direct wages	20,000/-
Factory overheads	15,000/-
Administrative overheads	19,500/-
Selling & Distribution overheads	13,000/-
Sales	1,20,000/-

- ii) Write the important objectives of cost accounting. [5]

OR

- b) i) From the following information, prepare a simple cost sheet. [5]

Sales	2,50,000
Factory Rent	30,000
Direct Material	90,000
Showroom Rent	10,000
Audit fees	5,000
Office Salaries	40,000
Direct Wages	60,000
Direct expenses	4,000

- ii) Write in brief classification of cost as per elements. [5]

- Q4) a) From the following details of stores receipts and issues of materials in a manufacturing unit, prepare the Stores Ledger using FIFO Method. [10]

1-2-2018	Purchased 500 tons at Rs. 2/- per ton
10-2-2018	Purchased 300 tons at Rs. 2.10/- per ton
12-2-2018	Issued 600 tons
15-2-2018	Purchased 400 tons at Rs. 2.20/- per ton.
18-2-2018	Issued 300 tons.
20-2-2018	Purchased 500 tons at R. 2.10/- per ton
25-2-2018	Issued 200 tons.

OR

- b) Royal Ltd. has three Production departments and two Service departments. The expenses for the period are :

Particulars	Amount	Particulars	Amount
Power	2,200	Depreciation	30,000
Lighting	800	Repairs	6,000
Stores overheads	1,600	Rent	550
Staff welfare	3,000	General expenses	12,000

Other information :

	Production Departments			Service Departments	
	A	B	C	X	Y
Direct wages	60,000	90,000	1,20,000	30,000	60,000
Direct Material	15,000	30,000	30,000	22,500	22,500
Staff (Nos)	150	225	225	75	75
Electricity (KWH)	6,000	4,500	3,000	1,500	1,500
Assets value	60,000	40,000	30,000	10,000	10,000
Light points	10	16	4	6	4
Area sq. ft.	1,500	2,500	500	500	500

Ascertain total overheads of Production departments and Service departments. [10]

- Q5) a) From the following information, find out [10]
- PV Ratio
 - Sales required to Break Even Point.
 - Sales required to earn profit of Rs. 3,20,000/-

Information :

Selling price Rs. 80 per unit

Variable costs per unit

Direct material Rs. 20/-

Direct Labour Rs. 14/-

Variable overheads :

100% of Direct Labour cost

Fixed expenses Rs. 1,28,000/-

3/12/2019

Total No. of Questions : 5]

SEAT No. :

P4719

[5659]-1001

[Total No. of Pages : 8

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) Explain GAAP. Explain any three accounting concepts and two accounting conventions with suitable examples. [10]

OR

“Management Accounting is a midway between financial accounting and cost accounting.” Explain. [10]

Q2) The following trial balance was extracted from the books of Mr. Mukund as on 31st March 2019. Prepare Final Accounts after taking into consideration the adjustments given below. [10]

Particulars	Dr.	Cr.
Sundry creditors		46,000
Rent	1,200	
Cash at bank	3,000	
Cash in hand	1,400	
Opening stock	16,000	
Bad debts	1,000	
Discount	400	1,000
Purchases and sales	1,10,000	1,68,000

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Carriage on sales	3,600	
Plant & machinery	20,000	
Sales return	8,000	
Purchase returns		4,000
Carriage on purchases	1,000	
Furniture & fixtures	12,000	
Insurance & office expenses	3,000	
Salaries	6,000	
Bills receivable	12,000	
Drawings	12,000	
Wages	12,000	
Provision for doubtful debts		2,000
Capital		50,000
Sundry debtors	40,000	
Commission	8,400	
Total	2,71,000	2,71,000

Additional information:

- Closing stock was valued at Rs. 20,000
- Insurance prepaid Rs. 200
- Depreciate machinery @ 10% p.a. and furniture & fixtures @ 5% p.a.
- Provision for bad debts is to be kept at of 6% on Debtors.
- Outstanding salary Rs. 1,000 and outstanding rent Rs. 200

OR

The following trial balance was extracted from the books of M/s Laxmi Traders as on 31.12.2018. Prepare trading and P & L a/c and balance sheet. [10]

Particulars	Debit Rs.	Credit Rs.
Factory Rent	4,000	
Bills Receivable	5,300	
Bills Payable		4,200
Insurance	1,200	
Furniture	10,000	
Machinery	28,000	
Office rent	2,000	
Manufacturing wages	21,500	
Provision for doubtful debts		1,000
Manufacturing expenses	2,500	
General expenses	4,400	
Capital		60,000
Drawings	7,200	
Stock on 1 st January	20,500	
Purchases	68,000	
Carriage inward	1,500	
Sales		1,40,500
Sundry debtors	23,500	
Sundry creditors		14,300
Cash in hand	500	
Cash at bank	2,200	
Carriage outwards	1,700	
Salaries	16,000	
	2,20,000	2,20,000

Adjustments:

- Stock on 31st December 2018 was valued at cost Rs. 27,000.
- Unexpired insurance Rs. 300
- Depreciate Machinery at 5% and Furniture at 10%
- Write off bad debts Rs. 500 and maintain reserve for Bad and doubtful debts @ 5% on sundry debtors.
- On 2nd December 2018, a fire broke out and destroyed the stock of the value of Rs. 11,000 and the insurance company has admitted the claim to the extent of Rs. 5,000.

- Q.3) a) Explain in brief classification of cost on the basis of elements of cost. [5]
- b) From the following information Calculate Material consumed, Prime Cost, Works Cost, Cost of Production and Total cost. [5]

Particulars	Amount
Stock of finished goods on 1 st January 2019	16,720
Bad debts written off	910
Purchase of raw material	25,900
Travelers' salary and commission	1,078
Depreciation on office furniture	42
Rent, rates, taxes (factory)	1,190
Productive wages	17,640
Director's fees	840
General expenses	476
Gas and water (factory)	168
Travelling expenses	294
Sales	70,000
Manager's salary (2/3 factory, 1/3 office)	1,500
Depreciation on plant & machinery	1,820
Discount allowed	406
Repairs to plant & machinery	623
Carriage outward	602
Direct expenses	1,001
Rent, rates, taxes (office)	280
Gas and water (office)	56
Stock of material as on 31 st January 2019	8,792

OR

- a) Explain various Cost Accounting objectives. [5]
- b) From the following cost records of Reliance India Ltd. prepare cost sheet and show Prime Cost, Factory Cost, Cost of Production, Cost of Sales and Profit [5]

Particulars	Amount
Stock of Raw Material on 1 st April 2019	40,000
Stock of Raw Material on 30 th April 2019	50,000
Direct wages	3,00,000
Indirect labour	50,000
Lubricants	10,000
Insurance on plant	3,000
Sales commission	60,000
Work in progress on 1 st April	10,000
Work in progress on 30 th April	14,000
Purchases of raw material	4,00,000
Administration expenses	1,00,000
Power	30,000
Salesman's salary	1,00,000
Dep. of Plant & Machinery	50,000
Factory rent	60,000
Carriage outward	20,000
Property taxes on factory building	11,000
Opening stock of finished goods	1,00,000
Closing stock of finished goods	1,50,000
Sales	12,00,000

Q4) The following transactions occur in the purchase and issue of a material: [10]

- January 19 Purchase 100 Units @ Rs. 5 Each
 February 4 Purchase 25 Units @ Rs. 5.25 Each
 February 12 Purchase 50 Units @ Rs. 5.50 Each
 February 14 Issued 80 Units
 March 16 Purchase 50 Units @ Rs. 5.50 Each
 March 20 Issued 80 Units
 March 27 Purchase 50 Units @ Rs. 5.75 Each

Complete the stock account showing the balance on March 31st, if no other transaction had happened after March 27th. State clearly your method of pricing the issues, why this method has been adopted and the price and value of closing stock.

OR

The following data were obtained from the books of Light Engineering Company for the half year ended 30th September 2018.

Particulars		Production Department			Service Department	
		A	B	C	X	Y
Direct wages	Rs.	7,000	6,000	5,000	1,000	1,000
Direct materials	Rs.	3,000	2,500	2,000	1,500	1,000
Employees	Nos.	200	150	150	50	50
Electricity	KWH	8,000	6,000	6,000	2,000	3,000
Light points	Nos.	10	15	15	5	5
Asset values	Rs.	50,000	30,000	20,000	10,000	10,000
Area occupied	Sq. meters	800	600	600	200	200

The expenses for six months are:

Stores overheads Rs. 400	Depreciation Rs. 6,000
Motive power Rs. 1,500	Repairs & Maintenance Rs. 1,200
Electric lights Rs. 200	General Overheads Rs. 10,000
Labour Welfare Rs. 3,000	Rent and taxes Rs. 600

Prepare Primary Overhead distribution summary for the departments showing clearly the basis of apportionment.

Q5) The sales turnover and profit during two years are as follows:

[10]

Year Ended	Sales	Total cost
March 2018	32,20,000	29,80,000
March 2019	34,50,000	31,40,000

You are required to calculate:

- P/V ratio
- Fixed cost
- Breakeven point
- Fixed cost % to sales
- Margin of safety for both the periods

OR

The expenses for the budgeted production of 10000 units in a factory are furnished below:

Particulars	Per Unit (Rs.)
Materials	70
Labour	25
Variable overheads	20
Fixed overheads (Rs. 1,00,000)	10
Variable overheads (Direct)	5
Selling overheads (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (Rs. 50,000)	5
Total cost per unit	155

Prepare a budget for production of 8000 units and 6000 units and also calculate cost per unit at both the levels. Assume that administrative expenses are fixed for all levels of production.

x x x

- E) I) In a product mix decision, which is the most important factor to consider in order to try to maximize profit?
- a) product unit selling price
 - b) contribution per unit of a scarce resource used to make the product
 - c) variable cost per unit of the product
 - d) contribution per unit of the product
- F) I) What is double entry system?
- II) State the difference between Real A/c and Nominal A/c
- G) I) The main objective of budgetary control is _____
- a) To define the goal of the firm
 - b) To coordinate different departments
 - c) To plan to achieve its goals
 - d) All of the above
- II) _____ is a detailed budget of cash receipts and cash expenditure incorporating both revenue and capital items.
- a) Cash Budget
 - b) Capital Expenditure Budget
 - c) Sales Budget
 - d) Overhead Budget
- H) I) Diwali advance given to an employee is _____.
- a) Revenue Expenditure
 - b) Capital Expenditure
 - c) Deferred Revenue Expenditure
 - d) Not an Expenditure
- II) The process of recording financial data upto trial balance is
- a) Book keeping
 - b) Classifying
 - c) Summarising
 - d) Analyzing

Q2) Solve any two :

- A) Why is ledger known as the primary book or the principal-book of accounts? Can profit of the business a financial position be known without maintaining ledger?
- B) Explain any five forms of business organization.
- C) You have been asked to install a costing system in a manufacturing company. Outline any five main considerations to be keep introducing a costing system?

Q3) Solve any one.

- A) From the following Trial balance of Ajanta co, as on 31st March 2019, Prepare Trading Account and Profit and Loss Account for the year ended 31st March, 2019 and a Balance Sheet as on that date

Trial Balance as on 31st March 2019

Dr		Cr	
Particulars	Amount	Particulars	Amount
Stock as on 1.4.2018	52,000	Capital Account	2,00,000
Wages	16,000	Sales	1,90,000
Purchases	1,10,000	Returns Outwards	2,000
Plant and Machinery	1,00,000	Sundry Creditors	55,000
Rent, Rates and Taxes	1,000	Bills payables	19,500
Debtors	50,000	Interest earned	1,500
Carriage Outward	4,000	Commission Received	1,000
Cash at hand	2,500		
Drawings	6,000		
Business Premises	45,000		
Cash at Bank	15,000		
Bad Debts	1,000		
Salaries	10,000		
Investments	55,000		
Legal Charges	1,500		
	4,69,000		4,69,000

Adjustments :

The stock as on 31st March, 2019 was valued at Rs 32400 @market Price and Rs 35000 @ cost Price

Create a Reserve for Bad and Doubtful Debts @5% on Debtors

Depreciate Business Premise and Plant and Machinery @10% p.a

- B) From the following information of Mahi & Co. Ltd. ,for the year 2012, you are required to construct: (a) Prime Cost (b) Work Cost (c) Cost of Profit Goods Sold and (e) Net Profit

Particulars	Rs.
Stock of raw materials (1.1.2012)	1,00,000
Purchase of raw materials	2,20,000
Stock of raw materials (31.12.2012)	1,30,000
Carriage inward	60,000
Direct Wages	2,00,000
Indirect Wages	70,000
Other Direct charges	80,000
Office rent and rates	51,000
Factory rent and rates	60,000
Ondirect consumption of materials	51,000
Depreciation of plant	53,000
Depreciation on office furniture	50,200
Salesmen salary	54,000
Salary to office supervisor	55,000
Other factory expenses	61,400
Other office expenses	51,800
General Manager's remuneration:	
Office	54,000
Factory	58,000
Selling Dept.	62,000
Other selling expenses	52,000
Travelling expenses of salesmen	52,200
Carriage and Freight outward	52,000
Sales	10,00,000
Advertisement	54,000

Q4) Solve any one.

A) The turnover and profits of Rajat Ltd. during two periods are as follows :

Period	Sales (Rs.)	Profit/Loss (Rs.)
I	14,000 units	20,000 (Loss)
II	18,000 units	20,000 (Profit)

The selling price is Rs. 100 per unit

You are directed by the management of Rajat Ltd. to analyse above data to find out the following :

- i) P/V Ratio
- ii) Fixed Cost
- iii) Break-even Point (Rs.)
- iv) Sales to earn profit of Rs. 80,000

B) The sales turnover and profit during two years were as follows :

Year	Sales (Rs.)	Profit (Rs.)
2016	1,30,000	10,000
2017	1,50,000	15,000

You are directed by the management to analyse the above data to find out the following :

- i) P/V ratio
- ii) Break-even point
- iii) Sales required to earn a profit of Rs. 25,000
- iv) Profit when sales are Rs. 1,10,000
- v) Margin of safety in the year 2016.

Q5) Solve any one.

A) KPM Pvt. Ltd., Karad manufactures certain products. The cost data relating to a standard product for September 2018 are given below.

Raw		Standard Cost Data	
Material	Qty.	Price (Rs.)	Total
P1	500	6	3000
K2	400	3.75	1500
M3	300	3	900
	1200		
Less. Normal Loss			
@		120	
	10%		
		1080	5400

Raw Material	Actual Cost Data		
	Qty.	Price (Rs.)	Total
P1	400	6	2400
K2	500	3.6	1800
M3	400	2.8	1120
	1300		
Less. Actual Loss	220		
	1080		5320

You are required to evaluate the cost data given above and find out the following material variances -

- Material Cost Variance
- Material Price Variance
- Material Usage Variance
- Material Mix Variance
- Material Yield Variance

Also verify the results.

B) Intel Co. Ltd., Indapur is appointed you as Finance Executive and wishes to evaluate and prepare cash budget March for the last four months from the following estimated revenue and expenses and submit to the Manager

Month	Total Sales	Purchase	wages	Production Overheads	Selling & Distribution Overheads
	(Rs.)	(Rs.)	(Rs)	(Rs.)	(Rs.)
January	20,000	20,000	4,000	3,200	800
February	22,000	14,000	4,400	3,300	900
March	28,000	14,000	4,600	3,400	900
April	36,000	22,000	4,600	3,500	1,000
May	30,000	20,000	4,000	3,200	900
June	40,000	25,000	5,000	3,600	1,200

Cash balance on 1st March was Rs. 50,000.

Period of credit allowed by suppliers - 2 months

Period of credit allowed by customers - 1 months

Delay in payment of wages & overheads 1 month.

Assume total sales is credit sales.



Dec 2018

Total No. of Questions : 5]

SEAT No. :

P2178

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[5465]-1001

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

- 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	-	-	-

- 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]

