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**M.B.A. (Part - I)(Semester - I) (CBCS) (New) Examination, May - 2017**

**ACCOUNTING FOR MANAGERS (Paper - II)**

**Sub. Code : 68303**

**Day and Date : Thursday, 04 - 05 - 2017**

**Total Marks : 80**

**Time : 11.00 a.m. to 02.00 p.m.**

- Instructions :**
- 1) Q.No. 1 and Q.No. 2 are compulsory.
  - 2) Attempt any two questions from Q.No. 3 to Q.No. 5.
  - 3) Figures to the right indicate full marks.

**Q1) Case Study :**

From the following, trial balance of M/s Generous stores prepare the Trading and Profit and Loss Account for the year ended 31<sup>st</sup> March, 2015 and Balance sheet as on that date.

Particulars	Dr. Rs.	Cr. Rs.
Capital		1,00,000
Drawings	14,400	
Opening stock	41,000	
Purchases	1,38,000	
Carriage inward	3,000	
Sales		2,81,000
Sundry debtors	47,000	
Sundry creditors		28,600
Cash in hand	1,000	
Cash at bank	4,400	
Carriage outwards	3,400	
Salaries	32,000	
Rent	8,000	
Bills receivable	10,600	
Bills payable		8,400
Insurance	2,400	
Furniture	20,000	
Machinery	56,000	
Stationery	4,000	
Wages	41,000	
RDD(Old)		2,000
Office lighting	3,000	
General Expenses	10,800	
Purchase return		10,000
Commission received		10,000
<b>Total</b>	<b>4,40,000</b>	<b>4,40,000</b>

Adjustments :

- Stock on 31<sup>st</sup> March 15 was valued at Rs. 54,000.
- Depreciate plant and machinery at 5% and furniture 10%.
- Write off bad debts Rs. 200 from sundry debtors and provide for bad and doubtful debts at 2% on debtors.
- Prepaid insurance is Rs. 400 and salaries are unpaid to the extent of Rs. 900

[20]

**Q2)** "Computerized accounting has accelerated the process of maintaining business records" - Justify this statement by comparing the process of computerized accounting and manual accounting. [20]

OR

From the following information calculate Prime Cost, Works Cost, Cost of Production and total cost.

Direct Material	60,000	Direct wages	15,000
Direct Expenses	3,000	Wages of factory supervisor	2,500
Factory lighting	500	Factory Rent	2,500
Office lighting	250	Office Rent	1,500
Machinery repairs	2,000	Carriage outward	250
Office furniture repairs	250	Transfer to reserves	500
Salesmen's salary	1,000	Postage and telegram	100
Telephone charges	250	Advertising	500
Sales	1,00,000	Office stationery	150
Sale of scrap	2,000	Donation	4,000

- Q3)** a) Explain in detail accounting process along with the role of subsidiary books. [10]
- b) Elaborate straight line and written down value methods of depreciation along with their respective advantages and disadvantages? [10]

- Q4)** a) From the following sales and profit figures of M/s Grow well Ltd. calculate :

P/V ratio, Break even sales, sales to earn a profit of Rs. 1,10,000, Estimate profit for 2015 - 16 if the sales are expected to be Rs. 18,00,000, Margin of safety if the profit is Rs. 50,000.

Year	Sales (Rs.)	Profit(Rs.)
2013-14	10,00,000	1,05,000
2014-15	14,00,000	1,65,000

[10]

- b) M/s Roopsangam technologies is a manufacture and has provided following information:

1 - 2 - 2000	Opening Stock	200 units @ Rs. 20 each
2 - 2 - 2000	Purchased	200 units @ Rs. 20.50 each
5 - 2 - 2000	Purchased	600 units @ Rs. 21.10 each
7 - 2 - 2000	Issued	800 units
10 - 2 - 2000	Issued	240 units
15 - 2 - 2000	Purchased	800 units @ Rs. 22 each
19 - 2 - 2000	Issued	400 units
24 - 2 - 2000	Purchased	600 units @ Rs. 22.80 each
27 - 2 - 2000	Issued	400 units
28 - 2 - 2000	Issued	400 units

Prepare a store ledger using LIFO method.

[10]

- Q5)** Short notes (Any four) :

[20]

- Simple average and Weighted average methods of inventory valuation
- External users of accounting information
- Ledger
- Difference between financial and cost accounting
- CVP analysis and contribution
- Monetary concept and matching concept

