

Seat No.	
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M.B.A. (Part - I) (Semester - I) (New) (CBCS)
Examination, April - 2018
ACCOUNTING FOR MANAGERS (Paper - II)
Sub. Code :68303

Day and Date : Tuesday, 24- 4 - 2018
Time :11.00 a.m. to 2.00 p.m.

Total Marks : 80

- Instructions :**
- 1) Question 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 indicates full marks.

Q1) Case Study. **[20]**
The following is the trial balance of M/s. Kruti and Sons at 31st March 2003 and it is desired to show final accounts showing the results of the transactions of the year.

Particulars	Debit	Credit
Capital Account	---	86,200
Plant and Machinery	1,51,000	---
Office furniture	6,600	---
Opening stock	48,000	---
Motor van	62,000	---
Sundry debtors	45,000	---
Cash in hand	1,400	---
Balance at bank	6,500	---
Salaries	1,50,000	---
Wages	14,000	---
Purchases	2,13,500	---
Sales	---	5,80,000
Bills Receivable	17,200	---
Bills Payable	---	15,600
Sundry Creditors	---	52,000
Returns inward	9,300	---
Provision for Bad debts	---	2,300
Drawings	6,000	---
Return outwards	---	5,500
Rent	6,000	---
Lighting	800	---

P.T.O.

Telephone	1,350	---
Insurance	300	---
Advertisement	6,350	---
General expenses	1,000	---
Bad debts	2,500	---
Discount allowed	6,500	---
Discount received	---	13,700
	<u>7,55,300</u>	<u>7,55,300</u>

Adjustments:

- Closing stock was valued at Rs.82,000/-
- Rent due but not paid Rs.5,000/-
- Advertisement due but not paid Rs.350/-
- Depreciation to be written off— Plant and Machinery @ 15%, Office furniture @ 10%, Motor van @ 5%
- The provision for bad and doubtful debts is to be maintained at 5% on debtors.

Q2) From the following information prepare a cost sheet for the month of April 2010.

[20]

Stock (1-4-10)	
Raw Material	250000
Finished Goods	173000
Work- in-progress	82000
Stock (30-4-10)	
Raw Material	262000
Finished Goods	157000
Work- in- progress	91000
Purchase of raw material	219000
Carriage inward	11000
Purchase Return (raw material)	1000
Sales	730000
Direct wages	172000
Sale of Scrap	2000
Indirect wages	12000
Direct Expenses	83000
Factory overheads	8000
Administrative overheads	32000
Selling and Distribution	42000

OR

"Entire financial accounting system is based on generally accepted concepts and conventions"- Justify this statement by explaining concepts and conventions and its applications while maintaining accounting records. [20]

- Q3)** a) Explain the need of financial accounting. Enlist the internal and external users of accounting information. [10]
 b) What do you mean by cost accounting? Explain the elements of cost.[10]

Q4) a) From the following information prepare store ledger using LIFO method.[10]

1/Jan.	Opening Stock	400 units @ Rs. 4
2/ Jan.	Purchases	200 units @ Rs. 4.40
5/ Jan.	Purchases	300 units @ Rs. 4.80
15/ Jan.	Purchases	360 units @ Rs. 5.00
18/ Jan	Purchases	240 units @ Rs. 4.80
3/ Jan.	Issue	300 units
7/ Jan.	Issue	200 units
16/ Jan.	Issue	200 units
28/ Jan.	Issue	400 units
30/ Jan	Issue	300 units
31/ Jan	Shortage	100 units

- b) Following is an extract of income and expenditure of Shri. Ram Rahim & Sons. [10]

Material per unit	Rs. 100
Labour per unit	Rs. 160
Variable overheads per unit	75% of labour
Fixed overheads for the year	Rs. 480000
Selling price per unit	Rs. 460

Calculate:

- i) Break Even in units and in value.
- ii) Sales required to earn profit of Rs. 200000
- iii) What will be the margin of safety if current sales are Rs. 3200000
- iv) If the selling price is reduced by Rs. 30 what will be the new break even point.

Q5) Short notes any four:

- a) Subsidiary books
- b) Written down value method of depreciation
- c) Difference between financial and cost accounting
- d) Cost unit and cost center
- e) BEP and angle of incidence
- f) Accounting process

