

**SH-427**

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**M.B.A. (Part - I) (Semester - I) (CBCS) (New)**  
**Examination, December - 2017**  
**ACCOUNTING FOR MANAGERS (Paper - II)**  
**Sub. Code : 68303/57105**

**Day and Date : Thursday, 21 - 12 - 2017**  
**Time : 10.30 a.m. to 1.30 p.m.**

**Total Marks : 80**

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

**Q1) Case Study :****[20]**

From the following information prepare trading and profit and loss accounts and balance sheet of M/s Sholay and bros. on 31<sup>st</sup> March, 2011 taking into consideration the adjustments.

Trial Balance as on 31-3-2011

| Debit Balance         | Amount   | Credit Balance         | Amount   |
|-----------------------|----------|------------------------|----------|
| Land & Building       | 65,000   | Capital account        | 1,60,000 |
| Plant & Machine       | 20,000   | Sundry Creditors       | 27,100   |
| Opening Stock         | 28,000   | Rent received          | 5,500    |
| Purchases             | 65,000   | Sales                  | 1,02,000 |
| Freight               | 2,800    | Provision for bad debt | 4,800    |
| Sundry Debtors        | 80,000   | Bank Loan              | 25,000   |
| Carriage outward      | 2,650    |                        |          |
| Salaries              | 1,900    |                        |          |
| Bad debts             | 1,250    |                        |          |
| Furniture             | 20,000   |                        |          |
| Cash in hand          | 1,500    |                        |          |
| Cash at bank          | 18,000   |                        |          |
| Advertisement         | 7,500    |                        |          |
| Printing & stationery | 1,800    |                        |          |
| Rent                  | 2,400    |                        |          |
| Drawings              | 6,600    |                        |          |
| Total                 | 3,24,400 | Total                  | 3,24,400 |

**P.T.O.**

## Adjustments :

- Closing stock is valued at Rs. 60,000.
- Create reserve for doubtful debts (RDD) at 2.5% on sundry debtors.
- Depreciate plant and machine at 10% and furniture at 5% p.a.
- Salary for the month of March 2011 is still payable Rs. 500.
- One fourth of the Advertisement expenses are prepaid.

Q2) From the following information prepare a cost sheet for the month of January 2015. [20]

| Particulars           | 1 <sup>st</sup> January (Rs.) | 31 <sup>st</sup> January (Rs.) |
|-----------------------|-------------------------------|--------------------------------|
| Stock of raw material | 80,000                        | 1,00,000                       |
| Work in progress      | 30,000                        | 20,000                         |
| Finished Goods        | 12,000                        | 30,000                         |

|  |           |
|--|-----------|
| Purchase of raw material   | 9,00,000  |
| Carriage inward  | 25,000    |
| Direct wages   | 3,50,000  |
| Factory rent and taxes   | 14,500    |
| Factory lighting   | 86,000    |
| Sale of finished goods   | 30,00,000 |
| Sale of scrap  | 13,000    |
| Director's remuneration ( $\frac{1}{4}$ <sup>th</sup> factory, $\frac{3}{4}$ <sup>th</sup> office) | 48,000    |
| Administrative overheads   | 50,000    |
| Selling and distribution expenses  | 1,00,000  |
| Bad debts  | 500       |
| Carriage outward   | 400       |

OR

Your father and brother has started a small manufacturing unit. They want to introduce financial, cost and management accounting system in their unit. You are asked to give them a presentation on what is the role of each accounting system and what tools of accounting have you learned which can be used by them in their unit. Prepare a detailed note of importance of each accounting system and different tools that can be used by your father in his unit. [20]

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- Q3) a)** What are the major accounting concepts and conventions? [10]  
b) Explain the role of computerized accounting. What are the features of Tally package? [10]

- Q4) a)** The following is an extract of the record of receipts and issues of sulphur in a chemical factory during June 2010. [10]

- June 1. Opening balance 1000 tonnes at Rs. 400 per ton.  
2. Issued 500 tonne.  
12. Received from supplier 400 tonnes at Rs. 380 per ton.  
14. Returned from department, 30 tonnes.  
16. Issued 260 tonnes.  
20. Purchased 480 tonnes at Rs. 410.  
22. Issued 600 units.  
25. Received from supplier 640 tonnes at Rs. 390 per ton.  
27. Issued 230 tonnes.  
28. Received from supplier 200 tonnes at Rs. 400 per ton.

Prepare store ledger using FIFO method.

- b) Following is an extract of sales and profit figures for two consecutive years. [10]

| Year | Sales    | Profit |
|------|----------|--------|
| 2011 | 2,40,000 | 16,000 |
| 2012 | 2,80,000 | 26,000 |

Calculate :

- i) Break even sales.
- ii) Sales to earn profit of Rs. 50,000.
- iii) Profit when sales are Rs. 3,40,000.
- iv) Margin of safety of two years.

Q5) Short notes : (Any 4)

- a) Subsidiary books.
- b) Internal users of accounting information.
- c) Straight line method of depreciation.
- d) Difference between financial and cost accounting.
- e) CVP analysis and contribution.
- f) Accounting process.



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