

Seat No.	
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**M.B.A. (Part - I) (Semester - I) Examination, March - 2016**  
**ACCOUNTING FOR MANAGERS (Paper - II) (CBCS-CR) (Revised)**

**Sub. Code : 57105**

**Day and Date : Sunday, 27 - 03 - 2016**

**Total Marks : 80**

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

- Instructions:**
- 1) **Q. No. 1 and Q. No. 5 are compulsory.**
  - 2) **Attempt any two questions from Q. No. 2, 3 & 4.**
  - 3) **Figures to the right indicate full marks.**

**Q1) Caselet:**

**[20]**

The managing director of a small manufacturing concern consults you as to the minimum price at which he can sell the output of one of the departments of the company particulars for this department for the next year if he expects to earn the same percentage of profit on cost to be earned during the next year, as he had earned in the previous year. The following is the data for the previous year-

Production and sales (100 units) Rs.39000

Material Rs 13000

Works over heads Rs.7000

Direct labour Rs.7000

Office over heads Rs.2800

Direct charges Rs.1000

Selling over heads Rs.3200

Project Rs.5000

You ascertain that 40% of the works overheads fluctuate directly with production and 70% of the selling overheads fluctuate with sales it is anticipated that the department would produce 500 units per annum and that direct labour charges per unit will be reduced by 20% while fixed works overheads charges will increase by Rs.3000. Office overheads and fixed selling overheads charges are expected to show an increase of 25% but otherwise no changes are anticipated.

Prepare statement showing cost for 100 units and 500 units.

- Q2) a) Define financial accounting and state the various accounting concepts. [10]**  
**b) Explain the term depreciation and elaborate in brief straight line method and written down value method. [10]**

**P.T.O.**

Q3) a) Pass journal entries for the following transactions in the books of pallavi.

April 1 [10]

Pallavi having no capital of her own, started business with Rs.50,000 borrowed from Dinesh@12%pa

5<sup>th</sup> - Goods worth Rs.1000 were damaged in transit

7<sup>th</sup> - Received claim for damaged goods.

8<sup>th</sup> - Purchased 25 shares in y and co. ltd at Rs.60 per share and brokerage paid Rs.10.

18<sup>th</sup> - Sandhya who is declared insolvent paid Rs.50 ps in a rupee. The amount due was Rs.30000

20<sup>th</sup> Purchased a horse for Rs.80000 and paid carriage Rs.1000.

25<sup>th</sup> - Sold 10 shares in yand co.at Rs.65 per share, brokerage paid Rs.10

30<sup>th</sup> Interest due on loan Rs.2000.

b) The following transaction occurs in the purchase and issue of a material.[10]

2<sup>nd</sup> jan. purchased 4000 units@Rs.4.00 per unit

20<sup>th</sup> jan. purchased 500 units@Rs.5.00 per unit

5<sup>th</sup> feb. issued 2000 units

10<sup>th</sup> feb. purchased 6000 units@ Rs.6.00 per unit

12<sup>th</sup> feb. issued 4000 units

2<sup>nd</sup> march issued 1000 units

5<sup>th</sup> march issued 2000 units

15<sup>th</sup> march purchased 4500 units@Rs.5.50 per unit

20<sup>th</sup> march issued 3000 units

From the above prepare the stores ledger account by FIFO method also calculate the value of stock in hand at the end of the period.

- Q4)** a) Following information is given from the books of Amit traders [10]  
p/v ratio 30%, Fixed cost Rs.40000  
Calculate :
- i) Net profit for the sales of Rs.800000
  - ii) Required sales to earn net profit of Rs.200000
- b) Discuss in brief the features and application of tally package [10]
- Q5)** Write short notes (any4 ) [20]
- a) Accounting process and system
  - b) Subsidiary books
  - c) Trial balance
  - d) Difference between financial and cost accounting
  - e) Functions of Management accounting
  - f) Decisions based on CVP analysis.

