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M.B.A. (Part - I) (Semester –I) Examination, 2011
MANAGEMENT ACCOUNTING
(New Course) Paper – II
Sub. Code: 48321

Day and Date: Thursday, 29-12-2011
Time: 10.30a.m. to 1.30 p.m.

Total Marks : 70

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

1. Following information is available, and you are required to prepare Trading Account, Profit and Loss Account and balance Sheet for the year ended 31-03-2010.

	Debit Rs.	Credit Rs.
Capital Account	-	1,00,000
Plant and Machinery	1,60,000	-
Sales	-	3,54,000
Purchases	1,20,000	-
Returns	2,000	1,50,000
Opening Stock	60,000	-
Discount	700	1,600
Bank Charges	150	-
Sundry debtors	90,000	-
Sundry creditors	-	50,000
Salaries	13,600	-
Bad debt provision	-	1,050
Manufacturing Wages	20,000	-
Carriage inwards	1,500	-
Carriage outwards	2,400	-
Rent, Rates, Taxes	20,000	-
Advertisements	4,000	-

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Cash in hand	1,800	-
Cash at bank	12,000	-
Total	56,08,150	5,08,150

The following adjustments are required :

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- 1) Closing stock RS. 70,000.
- 2) Depreciation on plant and machinery at 12%
- 3) Bad debts provision to be adjusted to Rs. 1,000
- 4) Interest on capital to be allowed at 10% per annum.
- 5) 5% of the profits to be carried to reserve fund.

OR

- 1.a) The information given below relates to the manufacture of a product during the month of January 2010.

Direct raw materials	Rs. 1,60,000
Direct wages	Rs. 90,000
Machine hours worked	6,000
Machine hour rate	Rs. 6 per hour
Office overheads	15% of works cost
Selling overheads	Rs. 2 per unit
Units produced	5,000 units
Units sold	5,000 units @Rs. 80 each.
Prepare :	Cost sheet and show :
a)	Cost per unit, and
b)	Profit for the period.

- b) The Following information is supplied to you in respect of a company engaged in manufacturing of a consumer produc.

Fiuxed cost	Rs. 8,000
Break even point	Rs. 20,000
Variable cost	Rs. 60 per unit.

Calculate :

- 1) Profit volume ratio
- 2) Profit when sales are Rs. 40,000

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| 3) New break – even – point if selling price is reduced by 10% | 10 |
| 2. A) What do you mean by financial accounting ? | 5 |
| B) Discuss about any four accounting concepts. | 10 |
| 3. A) What is meant by management accounting ? | 5 |
| B) Write the various function of management accounting ? | 10 |
| 4. A) What is cost accounting, and inventory valuation ? | 5 |
| B) Explain the different methods of inventory valuation. | 10 |
| 5. Write short notes (any four) : | 20 |
| a) Depreciation policies | |
| b) Elements of cost | |
| c) Bank Reconciliation Statement | |
| d) Subsidiary books | |
| e) Cost unit and cost centre | |
| f) Margin of safety | |
