

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA– SEMESTER 1– EXAMINATION WINTER– 2018****Subject Code:4519201****Date:24/12/2018****Subject Name: Management Accounting****Time:10:30 AM To 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** Define the terms **14**
- (a) Solvent
 - (b) Livestock
 - (c) Contribution
 - (d) Trade Discount
 - (e) Bills Receivable
 - (f) Fictitious Assets
 - (g) Current Ratio
- Q.2** (a) State the difference between the Financial Accounting and Cost Accounting **07**
- (b) Journalize the following transactions in the books of Mr. Mehta for March, 2018:
1. Started business with cash Rs.20,00,000.
 2. Purchased a machinery from Walia Engineering by paying cash of Rs.9,00,000 and paid installation charges Rs.50,000 in cash.
 3. Sold goods costing Rs.40,000 to Anita for cash at a profit of 20% on sales less 10% trade discount and charged 8% GST.
 4. Received Rs.975 from Hari Krishan in full settlement of his account for Rs.1,000.
 5. Sold goods to Shayam on credit Rs.10,000 and paid cartage of Rs.100 (to be charged from customer).
- Also Prepare a CASH LEDGER ONLY.

OR

- (b) On 1st January 2002, Adani Ltd purchased a second hand machine for Rs.1,00,000. On 30th September, 2003, this machine is sold for Rs.50,000. A new machine of Rs.2,00,000 was purchased on 1st October, 2003. Depreciation is to be provided at 20% according to Written Down Value Method (WDV). Prepare the machinery account for the first three years assuming that the accounts are closed on 31st March each year. Working note should be the part of the answer. **07**
- Q.3** (a) Write a short-note on any three Classification of Cost and draw out the format of Unit Costing. **07**
- (b) From the following details prepare a summarized balance sheet of Anitha and Company as on 31.12.2018. **07**
- Fixed assets to net-worth: 0.75:1
Current ratio 2:1
Liquid ratio 3:2
Reserves included in Proprietors' Fund 1:4

Current Liabilities Rs. 2,00,000.
 Cash and bank balances Rs. 10,000
 Fixed Assets Rs. 6,00,000.

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OR

- Q.3** (a) Write a short-note on Generally Accepted Accounting Principles (GAPP). **07**
 (b) The following transactions of receipts and issue of item "EXE" took place during September, 2012. Prepare Stock Register Card or Stores Ledger (Perpetual) on FIFO, and LIFO method of inventory valuation. **07**

September	Product K	Units	Price per unit
3 rd	Purchase	200	50
6 th	Purchase	150	56
10 th	Issue	250	---
14 th	Issue	60	---
20 th	Purchase	340	58
24 th	Issue	225	---

- Q.4** (a) Write a note on International Financial Reporting Standards (IFRS) **07**
 (b) The following particulars are taken from the records of a company engaged in manufacturing two products, A and B, from a certain material: **07**

Particulars	Product A (Per Unit Rs.)	Product B (Per Unit Rs.)
Sales	2,500	5,000
Material cost (Rs.50 per Kg)	500	1,250
Direct Labour (Rs.30 per hour)	750	1,500
Total fixed Overheads: Rs.10,00,000		

Comment on the profitability of each product when:

1. Total Sales in value is limited.
2. Raw materials is in short supply.
3. Production capacity is the limiting factor.
4. Total availability of raw materials is 20,000Kgs and maximum sales potential of each product is 1,000units, find the product mix to yield the maximum profits.

OR

- Q.4** (a) A product passes through three processes A, B and C. The normal wastage of each process is as follows: Process A: 3%, Process B:5% and Process C:8%. Wastage of Process A was sold at 25paise per unit, that of Process B at 50paise per unit and that of Process C at Re.1per unit. 10,000units were issued to Process A in the beginning of October 2012 at a cost of Re.1 per unit. The other expenses were as follows: **07**

Particulars	Process A	Process B	Process C
Sundry Materials (Rs.)	1,000	1,500	500
Labour (Rs.)	5,000	8,000	6,500
Direct Expenses (Rs.)	1,050	1,188	2,009
Actual Output	9,500 units	9,100 units	8,100 units

Prepare the Process Accounts, assuming that there was no opening or closing stocks.

- (b) Write a short-note on Break-Even Analysis. **07**

Q.5

From the following balance sheets and additional information, prepare cash flow statement:

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Liabilities	2016	2017	Assets	2016	2017
Equity Share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Preference Share Capital	1,50,000	1,00,000	Land and Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
P&L Appropriation A/c	30,000	48,000	Debtors	1,60,000	2,00,000
Creditors	97,000	1,33,000	Stock	77,000	1,09,000
Bank Overdraft	20,000	16,000	Bills Receivable e	20,000	30,000
Outstanding Expenses	40,000	50,000	Cash in hand	15,000	10,000
			Cash at Bank	10,000	8,000
Total	6,77,000	8,17,000	Total	6,77,000	8,17,000

Additional Information:

- Depreciation of Rs.10,000 and Rs.20,000 has been provided on Plant and Land and Building, respectively.
- An interim dividend of Rs.5,000 was paid during the year and the final dividend for the year was Rs.15,000.
- Tax paid during the year was Rs.35,000.

OR
Q.5

Prepare the vertical final accounts (Profit and Loss and Balance-Sheet) for the year ending March 31,2010 using the trial balance given below of M/s Shakti Ltd.

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Particulars	Rs.	Particulars	Rs.
Stock	3,40,000	Equity Share capital (face value Rs.10 each)	12,50,000
Furniture	1,00,000	10% Debentures (As on April 1,2009) (Secured)	2,50,000
Discount	20,000	Bank Loan (Unsecured)	3,22,500
Loan to Directors	40,000	Bills Payable	62,500
Advertisement	10,000	Creditors	78,000
Bad Debts	17,500	Sales	21,34,000
Commission	60,000	Rent Received	28,000
Purchases	11,59,500	Profit and Loss Account	69,500
Plant and Machinery	4,30,000	Provision for Depreciation on Machinery	73,000
Rentals	12,500		
Current Account	22,500		
Cash	4,000		
Interest on bank loan	58,000		
Preliminary Expenses	5,000		
Fixtures	1,50,000		

Wages	4,50,000		
Consumables	42,000		
Freehold Land	7,73,000		
Tools and Equipments	1,22,500		
Goodwill	1,32,500		
Debtors	1,43,500		
Bills Receivable	76,500		
Dealers Aids	10,500		
Transit Insurance	15,000		
Trade Expenses	36,000		
Delivery Van Expenses	27,000		
Debenture Interest	10,000		
Total	42,67,500	Total	42,67,500

Additional Information:

1. Closing stock was Rs.4,11,500.
2. Wages for the month of March Rs.65,000 was due but not paid.
3. Make Provision for tax @20% of EBT.
4. Transfer Rs.50,000 to reserve account.
5. Equity dividend is proposed @10% subject to the availability of sufficient profits.

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