

Roll No.

Total No. of Pages : 04

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MBA / MBA (IB) (Sem.-1st)
ACCOUNTING FOR MANAGEMENT
 Subject Code : MB-103 (2009 to 2011)
 Paper ID : [C0166]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

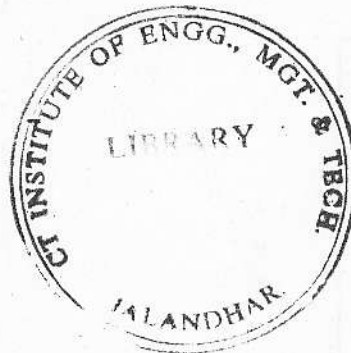
- SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
- SECTION-B contains SIX questions carrying TEN marks each and students has to attempt any FOUR questions.

SECTION-A**1. Write short notes on :**

- Accounting cycle
- Accounting information system
- Debt equity ratio
- Acid test ratio
- Working capital
- Target costing
- Classification of cost
- Business entity concept
- Principle of conservatism
- Absorption costing and marginal costing

SECTION-B

- Discuss the concept of human resource accounting. Explain its importance in present context.



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MA

- "Management accounting aims at providing business to the management for taking decisions out advantages of management accounting.
- "Analysis without interpretation is meaningless without analysis is impossible". Discuss.
- (a) The format of Trading, Profit and loss account. Fill the blanks and complete these accounts

TRADING, PROFIT & LOSS

For the year ending March

Particulars	Amount (Rs.)	P
To Cost of goods sold	2,70,000	B
To Gross Profit c/d	—	
To Operating expenses	—	B
To Non Operating expenses	10,000	
To Net Profit	—	

Accounting ratios :

- Gross profit to cost of goods sold
 - Net profit to sales
- (b) Explain the following terms and show their calculation
- Price Earning ratio
 - Debt service coverage ratio

6. The expenses for budgeted production of 10000 units in a factory are furnished below :

	Per units (Rs.)
Materials	70
Labour	25
Variable overhead	20
Fixed overhead (Rs. 1,00,000)	10
Variable expenses (Direct)	5
Selling expenses (10% fixed)	13
Distribution expenses (20% fixed)	7
Administration expenses (Rs. 50,000)	5
Total Cost per unit (to make and sell)	155

Prepare a budget for production of

- (a) 8000 units
(b) 6000 units
(c) indicate cost per unit at both the levels.

(Assume that administration expenses are fixed for all levels of productions)

7. From the following trial balance of Mr. A, prepare trading and profit and loss account and a balance sheet for the year ending 31st March 2010.

Particulars	Debit Rs.	Credit Rs.
A's capital		90,000
A's drawings	6,480	
Land and building	25,000	
Plant and machinery	14,270	
Furniture and fixtures	1,250	
Carriage inwards	4,370	
Wages (manufacturing)	21,470	
Salaries	4,670	
Bad debt reserve (as on 1 st April 2009)		2,470
Sales		91,230
Sales returns	1,760	
Bank charges	40	

Coal, gas and water
Rates and taxes
Sales tax
Discount account
Purchases
Purchase returns
Bills receivable
Trade expenses
Sundry debtors
Sundry creditors
Stock (1 st April 2009)
Apprentice premium (paid by an apprentice in factory)
Fire insurance
Cash at bank
Cash in hand
Bad debts

Total

Adjustments to be made for the current period

- Charge depreciation on land and building, machinery at 10% and on furniture and fixtures at 5%.
- Bad debts Rs. 800. Make a reserve of 5% on bad debts.
- Carry forward the following unexpired amounts:
 - Fire insurance
 - Rates and taxes
 - Apprentice premium
- Charge 5% interest on capital and on drawings.
- Create a provision for discount on creditors.
- The value of stock as on 31st March 2010.