

Roll No.

56005

**M.B.A. 2 Year 1st Semester
(N.S. 2011-12)**

**Examination–December, 2011
Accounting For Managers**

Paper-MBA-105

Time : 3 hours

Max. Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard will be entertained after the examination.

Note : Attempt **five** questions in all. Section-A is **compulsory**. From Section-B, select **one** question from each unit.

Section-A

1. Attempt all questions. 2×8
- (i) Define Accounting

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[Turn Over

(ii) Explain the meaning of Entity concept.

(iii) What is FIFO method ?

(iv) What do you mean by current ratio ?

(v) Define cash flow statement.

(vi) Distinguish between fixed and variable cost.

(vii) Define cost centre.

(viii) Explain Budgetary Control.

Section-B

Unit-I

2. Explain the meaning and significance of 'Accounting Concept' and 'Convention'. Discuss any five. 16

3. Following is the Trial Balance extracted from the books of Mr. Virender as on December 31, 2010. 16

Particulars	Dr. Balance	Cr. Balance
	Rs.	Rs.
Capital	—	2,00,000
Plant and Machinery	1,56,000	—
Furniture	4,000	—
Purchases and Sales	1,20,000	2,54,000
Returns	2,000	1,500
Opening Stock	60,000	—
Discount	850	1,600
Sundry Debtors/Creditors	90,000	50,000
Salaries	15,100	—
Manufacturing wages	20,000	—
Carriage Outwards	2,400	—

Provision for doubtful debts	—	1,050
Rent, Rates and Taxes	20,000	—
Advertisement	4,000	—
Cash	13,800	—
	5,08,150	5,08,150

Adjustments :

- (a) Closing stock valued at Rs.68,440.
- (b) Provision for doubtful debts is to be kept at Rs.1,000
- (c) Depreciate plant and machinery @10%.
- (d) Purchase of furniture Rs.1,840 has been passed through purchase book.

Prepare Trading and Profit and Loss Account for the year ending December 31, 2010 and the Balance Sheet as on that date.

Unit-II

4. The analysis of cash flow statement in any organisation can be very useful to the management'. Discuss. 16

5. The ratios relating to Cosmo Ltd. are given as follows :

Gross Profit Ratio : 15 per cent

Stock Velocity : 6 months

Debtors Velocity : 3 months

Gross profit for the year ending December 31, 2006 amount to Rs.60,000. Closing stock is equal to opening stock.

Find out :

(a) Sales (b) Closing stock (c) Sundry debtors. 5+5+6

Unit-III

6. Describe briefly the different methods of costing and state the particular industries to which they can be applied.

16

7. Explain FIFO and LIFO methods of inventory valuations. In period of rising prices, which method will you suggest and why ?

16

Unit-IV

8. What do you understand by Management Accounting ? Explain the scope and importance of Management Accounting.

16

9. (a) Discuss the essentials of Budgetary Control System.

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(b) From the following particulars, calculate :

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(i) Break-even point in terms of sales value and in units.

(ii) Number of units that must be sold to earn a profit of Rs. 90,000.

Fixed factory overhead cost Rs.60,000

Fixed selling overhead cost Rs.12,000

Variable Manufacturing cost per unit Rs.12

Variable selling cost per unit Rs.3

Selling price per unit Rs.24