Roll No. .....

56005

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

Examination–December, 2015

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 : Q. No. **1** is **compulsory**. Attempt **four** questions selecting **one** question from each unit in section-B. All questions carry equal marks.

Section-A

1. Short answer questions : [2×8=16]

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(a) Define financial accounting.

(b) What do you mean by trial balance ?

(c) What is ratio ?

(d) Give two examples of sources of funds.

(e) Name two techniques of cost accounting.

(f) What is prime cost ?

(g) Give two differences between standard cost and budgeted cost.

(h) What is BE.P. ?

Section-B

Unit-I

2. What do you mean by basic accounting concepts and conventions ? Discuss in brief

the important concepts and conventions of accounting. [16]

3. B.P.S. Ltd purchased a machine for Rs.60,000 on 1.1.1998. Depreciation is provided @ 10% p.a. on diminishing balance methods. Prepare Machinery Account for the year 2000 in each of the following alternative cases :

(a) If the machine is sold on 1.7.2000 for Rs. 28,600.

(b) If a new machine costing Rs. 60,000 is purchased on 1.7.2000 after surrendering the old one and paying cash Rs. 35,000. [16]

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Unit-II

4. Precision Ltd. gives the following balance sheet.

Balance Sheet

	Rs.		Rs.
Equity share capital	15,00,000	Fixed Assets	14,00,000
Reserve fund	1,00,000	Stock	
6% Debentures	3,00,000	Debtors	
Overdraft	1,00,000	Cash	1,00,000
Creditors	2,00,000		
	22,00,000		**22,00,000**

You are required to compute the following ratio.

(a) Liquid ratio [4]

(b) Solvency ratio [4]

(c) Debt-equity ratio [4]

(c) Fixed assets to current assets [4]

5. What is meant by fund flow statement ? Describe the various steps involved in preparation of funds flow statement. [16]

Unit-III

6. What is meant by cost accounting ? Prepare a chart showing the different elements of cost. Give profarma of cost sheet with imaginary figures. [16]

7. (a) What is meant by inventory ? What are the objectives of inventory valuation ? [8]

(b) What is meant by activity based costing ? What are the steps involved in implementation of activity based costing. [8]

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Unit-IV

8. ABC Ltd has prepared the budget for the production of one lakh units of the only commodity manufactured by them for a costing paid as under :

Raw Material	Rs. 2.52 per unit
Direct Labour	Rs. 0.75 per unit
Direct Expense	Rs. 0.10 per unit
Works overhead (60% fixed)	Rs. 2.50 per unit
Administrative O.H. (80% fixed)	Rs. 0.40 per unit
Selling overhead (50% fixed)	Rs. 0.20 per unit

The actual production during the period was only 60,000 units. Calculate the revised budgeted cost per unit. [16]

9. What is meant by standard costing ? Give the difference between standard costing and budgetary control. Explain the advantages and limitations of standard costing. [16]