

**576116(76)****676115(76)**MBA (1<sup>st</sup> Semester)

Examination, Nov.-Dec., 2016

(New Scheme)

**Accounting for Managers***Time Allowed : 3 hours**Maximum Marks : 80**Minimum Pass Marks : 32***Note :** All questions carry equal marks. Attempt any **two** from each unit.**UNIT - I**

(a) Elaborate the Traditional and Modern classification of accounts with suitable examples.

(b) Pass the Journal Entries for :

- (i) Purchased from Dinesh Goods of Rs. 2000 and Sold to Suresh for Rs. 2600. Suresh returned goods of Rs. 780, which were returned to Dinesh.

(ii) Sold Goods to Ram costing Rs. 1,00,000 at 10% trade discount. He paid 60% in cash and availed Rs. 100 cash discount.

(iii) Goods lost by theft, costing Rs. 50,000 on claim being made. Insurance company accepted claim for Rs. 40,000 only and paid by cheque.

(iv) Received an order from Shyam for goods costing Rs. 20,000. He paid Rs. 15,000 cash in advance.

(c) Following is the Trial Balance of RJ Ltd. containing totals of ledger drawn :

Particulars	Dr. Total	Cr. Total
Cash	1,03,880	15,150
Capital	—	90,000
Machinery	15,150	—
Kuldeep	9,000	9,000
Sales	—	12,000
Discount	170	—
Bank	5,000	2,300
Ramesh	—	5,000
Salary	300	—
Interest	—	50
<b>Grand Total</b>	<b>1,33,500</b>	<b>1,33,500</b>

Redraft using Balances Method.

UNIT - II

- (a) What are adjustments? Explain any 8 adjustments with their treatment.
- (b) Draw the proforma of Balance Sheet in compliance with the Schedule VI of Companies Act.
- (c) Prepare Final Accounts from the following balances given in Trial Balance of Arora Enterprises :

Opening Stock	40,000	
Purchase & Sales	1,80,000	2,00,000
Carriage	10,000	
Salaries	15,000	
Capital		3,30,000
Debtors & Creditors	24,000	14,000
Cash at Bank	6,800	
Building	1,81,800	
Drawings	68,000	
Cash in hand	20,200	
	5,44,000	5,44,000

Adjustments : CSVTVUonline.com

- (i) Closing stock is valued at ₹ 80,000
- (ii) Salaries include ₹ 3000 advance salaries
- (iii) Depreciate building by ₹ 1800

UNIT - III

- (a) Define cost accounting. Explain the elements of costs.
- (b) "Cost classification is the process of categorizing costs on the basis of nature, attributes or relations." Apart from the mentioned 3 base, how many further classification of costs are there?
- (c) Prepare cost sheet from the following :

Annual sales	2400 units
Material cost	₹ 4/unit
Direct labour	₹ 0.60/unit
Factory overhead	₹ 24,000/Annum
Admin. Expenses	₹ 28,080/Annum
Selling expenses	15% on sales

Calculate the selling price if profit per unit is ₹ 1.20

UNIT - IV

- (a) Explain the treatment of Profit and Loss Account in contract account when :
  - (i) Work certified is less than  $\frac{1}{4}$  of contract price.

- (ii) Work certified is more than  $\frac{1}{4}$  but less than  $\frac{1}{2}$ .  
 (iii) Work certified is more than  $\frac{1}{2}$  of contract price.
- (b) Explain "Wastage" and its treatment in process costing.
- (c) The cost records show the following cost of producing 200 units of a product in a process :

Material	₹	4000
Labour	₹	1500
Overheads	₹	500

Normal wastage is 10% which can be sold for ₹ 15/unit. Actual production was 190 units. Prepare Process Cost Account.

**UNIT-V**

- (a) Explain Break-even analysis with proper diagram and descriptions of costs involved.
- (b) Calculate PV ratio, BEP, V.C. of each year sales for profit 40,000 & profit when sales is ₹ 12,000.

Year	Sales	Profit/Loss
2015	2,00,000	-10,000
2016	5,00,000	20,000

- (c) Standard Mix

X	40 kg @ ₹ 6/kg
Y	60 kg @ ₹ 4/kg

Standard output is 80%

Actual Mix

X	600 kg @ ₹ 4/kg
Y	400 kg @ ₹ 6/kg

Actual output is 70%

Calculate material variance and verify.

