

576116 (76)

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MBA (1st Semester)

Examination, Nov.-Dec., 2013

Branch : Management

ACCOUNTING FOR MANAGERS (NEW)

Time Allowed : Three Hours

Maximum Marks : 80

Minimum Pass Marks : 32

Note : Attempt all the units as per instructions against each unit.

Unit - I

Q. 1. Answer (any two) from the following : 2×3=6

(a) Explain the major conventions followed in the preparation of final accounts.

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(b) Give a specimen form of Journals & Ledgers.

(c) Write short notes (any two) :

(i) Branches of accounting

(ii) Accounting cycle

(iii) Any two concepts of accounting

Q. 2. Journalise the transactions given below in the books of Paras Kumar's 10

Jan 1st Paras started business with a capital of Rs. 30,000

3rd Purchased goods from Kiran Rs. 1,000

6th Paid to Kiran by cheque Rs. 1,000

9th Paid for postage Rs. 115

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Jan 11th Deposited in bank Rs. 700

12th Goods sold to Shankar on credit Rs. 6000

17th Withdrew for office use 500 from bank.

18th Received from Shankar in full settlements 5900

27th Goods given as charity Rs. 250 and cash Rs. 500

30th Paid salaries Rs. 2000.

Or

From the following information, prepare the Trial Balance of Mr. Kaushik for the year ended 31st March 2012 csvtuonline.com

Name of Accounts	Amount
Capital Account	25,000
Furniture & Fixtures	1,280

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Motor Car	12,500
Buildings	15,000
Debtors	7,600
Creditors	5,000
Bad debts	250
Opening stock	6,920
Sales account	30,900
Bank (Cr. balance)	5,700
Purchase Returns	250
Commission (Cr.)	750
Sales Returns	400
Advertisement	500
Interest account (Dr.)	236
Cash balance	1,300
Purchases	10,950
Insurance & Tax	2,500
Salaries	8,164

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Unit - II

Q. 3. From the following trial balance extracted from the books of Mr. Ramesh prepare trading and profit and loss account and balance sheet as on 1st April, 2011 : 16

Particulars	Debit	Particulars	Credit
Cash	20,000	Sales	3,61,000
Wages	45,050	loan @ 12% (1 st July 2011)	40,000
Return Inward	4,800	Discount	1,060
Bad debts	4,620	Purchase Return	390
Salaries	16,000	Creditors	60,610
Octroi	1,000	Capital	75,000
Charity	250		
Machinery	32,000		
Debtors (Including a dishonoured bill of Rs. 1600)	60,000		
Stock	81,600		
Purchases	2,60,590		
Repairs	3,350		
Interest on loan	1,200		
Sales tax	1,600		
Rates & Insurance	2,000		
Rent	4,000		
	<u>5,38,060</u>		<u>5,38,060</u>

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Additional Information :

- (1) Stock valued on 31st March 2012 was Rs. 81,850
- (2) Wages include Rs. 4,000 for erection of new machinery on 1st April 2011
- (3) Provide Depreciation @ 5% p.a. on machinery
- (4) Salary unpaid Rs. 1,600
- (5) Half the amount of bill is recoverable.
- (6) Create a provision of 5% on Debtors.
- (7) Rent is paid upto 30th July 2011
- (8) Insurance unexpired 600.

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Unit - III

Q. 4. X material cost per tonne Rs. 4000, average

annual consumption 57.6 tonne p.a. 6

Cost per order Rs. 750

Carriage cost in percentage is 20%

Maximum lead time 20 days

Normal lead time 15 days.

Calculate : (1) EOQ

(2) Optimum number of order p.a.

(3) Safety stock

(4) Maximum stock

(5) Ordering point

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Or

Write short notes (any two) 2×3=6

(a) Direct cost

(b) Advantages of cost accounting

(c) Prime cost.

Q. 5. "A good system of costing serves as a means of control over expenditure and helps to secure economy in manufacture." Discuss this statement to show the objects and functions of cost accounting. 10

Or

The following are the details regarding purchases and issue of material 'X' for the month of October 2012. You are required to find out the value of

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closing inventory for the month of October 2012 in the books of M/s Ronak by weighted average method.

1 Oct 2012 Balance in hand of the month of September 200 units @ Rs. 6 per unit

2 Oct 2012 Purchased 700 units @ 7 per unit

4 Oct 2012 Issue 400 units

9 Oct 2012 Purchased 200 units @ 9 per unit

14 Oct 2012 Issue 600 units

17 Oct 2012 Purchased 500 units @ 6 per unit

19 Oct 2012 Purchased 100 units @ 7 per unit

27 Oct 2012 Issue 500 units

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Unit - IV

Q. 6. A product passes through two processes and the output of A is transferred to B. It has been experienced that normal wastage in process A is 5% of the process and in case of B 10% of the units entering the process.

The scrap value of normal wastage is Rs 50 per 100 units in A and Rs. 80 per 100 units in B. Expenses were as follows

Particulars	A	B
Materials	10,000	6,000
Wages	8,000	4,000
Manufacturing Expenses	2,000	2,000

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In process A 1000 units were entered at a cost of Rs. 5,000. The output of A is 900 units and B 750 units prepare process account. **16**

Or

On 1 January, 2012 a contract for Rs. 3,00,000 was undertaken and following expenses were incurred during the year :

	Rs.
Materials issued from stores	2,000
Materials purchased	60,000
Wages	40,000
Wages accrued 31/12/2012	10,000
Indirect Expenses	18,000

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Plant sent at site	80,000
Materials returned to store	4,000
Materials lost by fire	1,000
Materials at site	3,000

Depreciation on plant 12.5% p.a.	
Work uncertified	20,000
Cash received from contractee	1,12,000

Cash received is 80% of work certified i.e. after deduction of 20% retention money.

From the above information prepare

(a) Contract Account

(b) Work-in-progress Account.

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Unit - V

Q. 7. From the following particulars calculate : 16

- (a) Labour cost variance
- (b) Labour rate variance
- (c) Labour efficiency variance
- (d) Labour mix variance
- (e) Labour field variance

Worker	Standard per one unit			Actual for 100 units		
	Hours	Rate (Rs.)	Total (Rs.)	Hours	Rate (Rs.)	Total (Rs.)
Skilled	5	6	30	450	8.00	3600
Semi-skilled	4	3	12	420	3.00	1260
Unskilled	8	2	16	1000	1.80	1800
Total	17		58	1870		6660

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Or

Write short notes (any two) : 2×8=16

- (a) Methods of absorption of overhead
- (b) Abnormal gain
- (c) Advantages and limitations of standard costing
- (d) Break even point

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