

Total No. of Questions : 5]

SEAT No. :

P3784

[4870]-1001

[Total No. of Pages : 8

M.B.A.

101 : ACCOUNTING FOR BUSINESS DECISIONS

(2013 Pattern) (Semester - I)

Time : 2½ Hours]

[Max. Marks : 50

Instructions to the candidates:

- 1) All questions are compulsory.*
- 2) Each question carries 10 marks.*
- 3) Use of Simple calculator is allowed.*

Q1) a) “Management accounting is an important tool for planning, control & decision making. Explain this statement. **[10]**

OR

b) Write short notes on: (Any 2) **[10]**

- i) Going Concern Concept
- ii) Business Entity concept
- iii) Convention of consistency

Q2) a) Explain the importance & objectives of financial statements. **[10]**

OR

b) Give the disclosure requirements of following items of Balance Sheet as per schedule VI of companies Act- **[10]**

- i) Fixed Assets
- ii) Reserves & Surplus

Q3) a) Define Cost Accounting? Also explain the various types of costs? **[10]**

OR

b) Prepare Cost Sheet from the following information: **[10]**

Rs.

Raw Materials Consumed 40,000

Wages paid to labourers 10,000

P.T.O.

Directly chargeable expenses		2,000
Oil & Waste		100
Wages of Foreman		1,000
Storekeepers Wages		500
Electric Power		200
Lighting : Factory	500	
Office	<u>200</u>	700
Rent : Factory	2,000	
Office	<u>1,000</u>	3,000
Repairs & Renewals:		
Factory Plant	500	
Machinery	1,000	
Office premises	<u>200</u>	1,700
Depreciation:		
Office Premises	500	
Plant & Machinery	<u>200</u>	700
Consumable stores		1,000
Manager's Salary		2,000
Director's fees		500
Office Printing & Stationery		200
Telephone charges		50
Postage & Telegrams		100
Salesmen's Commission & Salary		500
Travelling Expenses		200
Advertising		500
Warehouse charges		200
Carriage outward		150

Q4) a) The following transactions took place in respect of a material item: **[10]**

Data	Receipt Quantity	Rate	Issue Quantity
March 2	200	Rs.20	250
March 3	300	Rs.24	
March 15			
March 18	250	Rs.26	200
March 20			

Prepare a stores Ledger A/C, using

- Simple average method
- Weighted average method

OR

b) X Ltd. has two production departments & two service departments & provides you the following data: **[10]**

	Production Dept.		Service	Dept.
	P ₁	P ₂	S ₁	S ₂
Direct Materials	40,000	30,000	20,000	10,000
Direct Wages	15,000	20,000	5,000	10,000
Floor Area (sq.Feet)	5,000	4,000	3,000	2,000
Value of plant & machinery	50,000	60,000	20,000	10,000
Value of stock	35,000	25,000	5,000	5,000
No.of Workers	10	50	25	25
No.of light points	200	50	25	25
Horse Power of machines	50	25	15	10

The indirect expenses for the period were:

Factory Rent, Rates, Taxes & Repairs	Rs.14,000
Depreciation, Insurance & Repairs of Machinery	Rs.28,000
Insurance of stock	Rs.7,00
Supervision & staff welfare expenses	Rs.2,000

Stores Overheads	Rs.1,000
Lighting & Heating	Rs.3,000
Power	Rs.1,000

Prepare the statement showing the apportionment of overheads.

Q5) a) The sales turnover & profit during two years were as follows: **[10]**

Year	Sales(Rs.)	Profit(Rs.)
2011	1,40,000	15,000
2012	1,60,000	20,000

You are required to calculate:

- P/v Ratio
- Sales required to earn a profit of Rs. 40,000
- Profit when sales are Rs.1,20,000.

OR

b) The expenses for the production of 5,000 units in a factory are given as follows: **[10]**

	Per Unit Rs.
Materials	50
Labour	20
Variable Overheads	15
Fixed Overheads (Rs.50,000)	10
Administrative Expenses (5% variable)	10
Selling Expenses (20% Fixed)	6
Distribution Expenses (10% Fixed)	5
Total Cost of sales per unit	<u>Rs.116</u>

You are required to prepare a budget for the production of 7,000 units.

