

Code: 17BA1T3

I MBA - I Semester-Regular Examinations – December 2017

ACCOUNTING FOR MANAGERS

Duration: 3 hours

Max. Marks: 60

SECTION-A

1. Answer the following:

5 x 2 = 10 M

- a) GAAP
- b) Methods of inventory valuation.
- c) Du- Pont chart.
- d) CVP analysis.
- e) Zero based budgeting.

SECTION – B

Answer the following:

5 x 8 = 40 M

2. a) What is accounting and explain different accounting concepts?

(OR)

b) Distinguish between cost, management and financial accounting.

3. a) On 1st April 2014 a firm purchases machinery worth Rs. 1,50,000 on 1st October 2016 it buys additional machinery worth Rs. 30,000 and spends Rs. 30,000 on its erection. The accounts are closed each year on 31 march. Assuming the annual depreciation to be 10%, show the machinery a/c for

5 years under written down value method.

(OR)

b) The following is the trial balance of Mr. Rajesh as on March 31, 2016. Prepare trading profit and loss a/c and balance sheet for the year ended 31/3/2016.

Particulars	Amount	Particulars	Amount
Drawing s	72,000	Capital	3,20,000
Building s	60,000	12% bank loan	60,000
Furniture & fitting	30,000	Sales	4,00,000
Motivation	1,00,000	Commission	30,000
Interest on bank loan	3,600	Creditors	40,000
Purchases	3,00,000		
Opening stock	1,00,000		
Establishment expenses	60,000		
Wages	8,000		
Insurance	4,000		
Debtors	1,12,400		

Adjustments:

1. Closing stock Rs 1,28,000
2. Outstanding wages Rs 4000
3. Prepaid insurance Rs 1,200
4. Interest on capital @10%, interest on drawing @ 5%.
5. Depreciation on buildings 5%, furniture 15%, motor van 20%.

4. a) How are the ratios broadly classified? Explain how ratios are calculated under each classification?

(OR)

b) The following is the balance sheet of a firm.

Liabilities	Amount	Assets	Amount
Share capital	30,000	Fixed assets	16,500
Creditors	8,000	Cash	1,000
Bills payable	2,000	Book debts	6,000
Provision for tax	3,500	Bills receivables	2,000
		Stock	17,500
		Pre paid expenses	500

Comment on the liquidity of the firm.

5. a) Explain about the cost volume profit analysis and its Applications.

(OR)

b) Srikanth enterprises deals in the supply of hardware parts of computer. The following cost data are available for 2 successive periods:

Particulars	Year Rs	Year Rs
Sales	50,000	1,20,000
Fixed cost	10,000	20,000
Variable cost	30,000	60,000

Determine Breakeven point(BEP), Profit Volume % (P/V%)
And Margin Of Safety (MOS)

6. a) Explain the different types of budgets.

(OR)

b) Prepare a flexible budget for production at 80% and 100% activity on the basis of the following information:

Production at 50 % capacity 10,000 units

Raw material Rs 100 per unit

Direct labour Rs 50 per unit

Expenses Rs 20 per unit

Factory expenses Rs 1,00,000 (60% fixed)

Administration expenses Rs 60,000 (50% variable)

SECTION-C

7. Case Study

1x10=10 Marks

From the following information available from a company prepare monthly cash budget from April, May and June, 2013.

Months /2013	Sales	Purchases	Wages	Expenses
JAN	90,000	50,000	30,000	5,000
FEB	80,000	50,000	24,000	4,000
MAR	80,000	45,000	22,000	6,000
APR	85,000	48,000	25,000	7,000
MAY	75,000	42,000	20,000	6,000
JUNE	78,000	44,000	23,000	5,000

- i) 10 % of the purchase and 20 % of sales for cash.
- ii) Credit allowed to debtors 1/2 months and credit received from creditors 1 month
- iii) Wages are paid (3/4 in current period and 1/4 in the next month)
- iv) Opening cash balance is Rs 15,000 .