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Roll No. :

576116(76)

676115(76)

**M. B. A. (First Semester) Examination,
Nov.-Dec. 2021**

(New Scheme)

(Management Branch)

ACCOUNTING for MANAGERS

Time Allowed : Three hours

Maximum Marks : 80

Minimum Pass Marks : 32

All

Note : ~~Attempt~~ questions carry equal marks.

Attempt any two questions from each unit.

Unit-I

1. (a) How many types of Accounts are there? Explain with proper examples.
- (b) Pass journal entry for the following :
 - (i) Ram started business with cash ₹ 50,000 and a loan from Shyam ₹ 1,50,000.

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- (ii) He purchased building and machinery, both for ₹ 1,00,000 and paid 60% in cash.
- (iii) Ram purchased goods costing ₹ 40,000.
- (iv) Ram sold goods costing ₹ 20,000 for ₹ 25,000 to Mohan.
- (v) Ram sold goods costing ₹ 10,000 to Sohan @ 10% profit. Sohan paid 50% in cash.
- (vi) Ram paid Electricity Bill ₹ 2,000.
- (vii) Sohan paid by cheque remaining amount.
- (viii) Charge Intt. on Capital @ 10%.

(c) From the given ledger balance prepare a Trial Balance :

Transactions	₹	Transactions	₹
Capital	1,50,000	Sales	1,05,400
Purchases	40,000	Sundry Creditor	5,000
Cash in Hand	7,000	Rent	2,000
Cash at Bank	8,500	Furniture	16,000
Freight inwards	4,800	Bank Loan	10,000
Freight outwards	500	Investment	6,000
Office Equipment	2,400	Commission paid	1,050
Sundry Debtors	8,000	Opening Stock	3,200
Machinery	1,60,000	Commission Received	1,200
Salaries	11,400	Postage & Telegram	750

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Unit-II

2. (a) Explain the treatment of Factory Manager's? Commission and General Manager's Commission in Final Accounts. 8

(b) Following are the extracts of a trial balance :

Particulars	Dr.	Cr.
	₹	₹
Sundry Debtors	50,000	
Provision for Bad Debts		2,000
Bad Debts	3,000	

Additional Information :

- (i) Additional Bad Debts ₹ 5,000
- (ii) Create a provision for bad debts @ 10% on debtors.
- (iii) Create a provision for discount @ 5% on debtors.

Show clearly the working note and how the different items will appear in the Firm's Final Accounts. 8

(c) Draw the Final Accounts :

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Debit Balance	₹	Credit Balance	₹
Drawings	14,200	Capital	85,000
Plants and Machinery	19,000	Sales	2,38,120
Stock 1 st April, 2018	29,200	Discount Recieved	1,200
Purchases	2,07,240	Provision for	
		Doubtful Debts	2,100
Bills Receivable	4,800	Returns outward	5,820
Returns Inwards	4,200	Apprenticeship	
		premiums	2,400
Cash in hand	960	Bank Overdralt	4,000
Sundry Debtors	64,000	Sundry Creditors	20,000
Bad debts	3,440	Bills Payable	3,600
Rent Rates and Taxes	15,200		

Adjustments :

- (i) Interest is charged on capital @ 5% per annum.
- (ii) Provide for Doubtful Debts at 5% on sundry debtors.
- (iii) Depreciation is charged on Plant and Machinery @ 10% p.a.
- (iv) Outstanding Rent was ₹ 800.
- (v) There were prepaid taxes for ₹ 1,600.
- (vi) The value of stock on 31st March, 2019 was ₹ 34,000.

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| Unit-III | |
| 3. (a) What are the different Elements of Cost? Show with diagram and example. | 8 |
| (b) Prepare Stores Ledger Account as per LIFO method : | |

Receipts		Issue	
March 1	300 units @ ₹ 2 / unit	March 3	125 Units
March 14	250 units @ ₹ 3 / unit	March 3	175 Units
March 20	560 units @ ₹ 2.50 / unit	March 3	90 Units

On March 24, 10 units issued on March, 16 were returned by the department to the stores and on 31st March a difference of 14 units was found as per physical verification.

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- (c) The total gross output of casting during the the year in an Iron Foundary during a year was 1,000 tons. Following figure were obtained from the books, at the end of the year :

Raw materials :	₹
Opening stock	7,000
Purchases	55,000
Closing Stock	50,000

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Direct wages 10,000
 Works overhead 50% of direct wages
 Stores Overhead 10% on the cost of material
 Purchase returns amounted of ₹ 5,000 and 10% of the castings were rejected being not up to specifications and a sum of ₹ 400 was realised on sale as scrap.

Calculate the manufacturing cost of the saleable casting per ton. 8

Unit-IV

4. (a) Explain the treatment of Work-In-Progress account in the Contract Account. 8
 (b) Following particulars relate to Contract No. 555 : 8

	₹		₹
Material	40,000	Wages	50,000
Indirect Expenses	15,000	Plant	50,000
Work certified	1,20,000	Work Uncertified	60,000
Materials-at-end	11,000	Plant-at-end	43,000
Contract price			3,50,000
Cash Received from Contractee			1,00,000
Materials returned to store			2,000

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(c) The product of a manufacturing concern passes through 2 processes A & B and then to finished stock. It is ascertained that in each process 2% of the total weight is lost and 10% is scrap which from process A & Process B realises ₹ 100 / ton & ₹ 150/ton respectively :

Particulars	Process 'A'	Process 'B'
	₹	₹
Materials (ton)	1,000	70
Cost of materials (₹/tons)	120	200
Wages	17,500	10,000
Manufacturing Expenses	5,380	5,342

Prepare process account from the information given above assuming that there is no stock in any process. 8

Unit-V

5. (a) What is Break-even analysis? Discuss its assumptions and uses. 8
 (b) From the following data. Calculate Material Variance and verify it : 8

	Standard	Actual
Material A	60 units @ ₹ 2 / unit	80 Units @ ₹ 3 / unit
Material B	40 units @ ₹ 3 / unit	40 Units @ ₹ 5 / unit

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(c) From the following data, you are required to calculate :

- (i) P/V Ratio
- (ii) Break Even Sales
- (iii) Margin of Safety
- (iv) Sales to earn a profit of ₹ 4,00,000

	₹	
Fixed Cost	80,000	
Variable cost per unit :		
Direct Material	₹ 5 / unit	
Direct Labour	₹ 2 / unit	
Direct Expenses	100% of Direct Labour	
Selling Price per unit	₹ 12 / unit	8