

Reg. No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : BS2006

M.B.A. DEGREE EXAMINATION, AUGUST/SEPTEMBER 2017.

First Semester

DBA 1606 — ACCOUNTING FOR MANAGEMENT

(Regulations 2007/2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Discuss the rules of accounting.
2. Management accounting is concerned with past data. Do you agree?
3. What is journal proper? What entries are recorded in it?
4. What is straight line method of depreciation?
5. What do you understand by depletion?
6. What is weighted average method for inventory valuation?
7. Define budgetary control and give its essentials.
8. Give five characteristics of an ideal costing system.
9. What is P/E Ratio?
10. Distinguish between joint products and by products.

PART B — (5 × 16 = 80 marks)

11. (a) “Management accounting information is concerned with accounting information that is useful to management”. Critically examine this statement.

Or

- (b) From the following data, calculate labor variances :
The budgeted labor force for producing product A is :
20 semi workers @ 75 paise per hour for 50 hours
10 skilled workers @ Rs. 1.25 per hour for 50 hours
The actual labor force employed for producing A is :
22 semi skilled workers @ 80 paise per hour for 50 hours
8 skilled workers @ Rs. 1.20 per hour for 50 hours.

12. (a) 'Depreciation is an apportionment of cost'. Discuss and give the main problems which are faced in calculating the amount of depreciation.

Or

- (b) The net profit of a company before tax is Rs. 25,00,000 as on 31st March 2013 after considering the following :

Depreciation in fixed assets Rs. 50,000; Good will written off Rs. 15,000; Loss on sale of machine Rs. 12,000; Tax Paid Rs. 83,000.

The current assets and current liabilities of a company in the beginning and at the end of the year were as follows :

	31-3-2012	31-3-2013
	Rs.	Rs.
Accounts receivable	50,000	31,000
Accounts payable	20,000	25,000
Debtors	60,000	75,000
Stock in hand	30,000	28,000
Outstanding expenses	15,000	10,000

Calculate cash flow from operating activities by indirect method.

13. (a) In a manufacturing company, 10,000 kiloliters of A is processed to produce 6,000 kiloliters of B and 4,000 kiloliters of C. The joint cost before separation point came to an amount of Rs.24,000. From the following particulars, Calculate the apportionment of joint cost and the profit of each product under

- (i) Physical measurement
(ii) Market value at separation point
(iii) Market value after further processing.

	B	C
	Rs.	Rs.
Unit separation price at separation point	5.00	3.75
Unit separation price after further processing	7.00	7.50
Further processing costs after separation	5,000	7,500

Or

- (b) "Analysis of the close relationship between costs, volume and profit (C.V.P. analysis) opens an interesting and useful field for the cost accountants." Discuss this statement with reference to the objectives and limitations of C.V.P analysis.

14. (a) What is budgetary control? State the main objectives of budgetary control. What are the main steps in budgetary control?

Or

- (b) From the following information pertaining to M/s Dutta and Company Ltd. Prepare trading, profit and loss A/c and balance sheet as on 31.03.2013 (working notes are compulsory)
- (i) Current ratio 2.5
 - (ii) Quick ratio 1.3
 - (iii) Proprietary ratio fixed assets/proprietary funds 0.6
 - (iv) Gross profit to sales ratio 10%
 - (v) Debtors velocity 40 days
 - (vi) Sales Rs. 7,30,000
 - (vii) Working capital Rs. 1,20,000
 - (viii) Bank overdraft Rs. 15,000
 - (ix) Share capital Rs. 2,50,000
 - (x) Closing stock is 10% more than opening stock
 - (xi) Net profit 10% of proprietary funds.

15. (a) Explain FIFO and LIFO methods of inventory valuation. Under what circumstances, these are applicable?

Or

- (b) Explain accounting concepts and accounting conventions in detail with suitable examples.

12. (a) List the various users of financial statements and state their informational needs.

Or

- (b) The following is the Trial Balance of Mr. Ram as at 31.3.12.

Particulars	Debit Rs.	Credit Rs.
Ram's capital	—	3,50,000
Ram's Drawings	44,450	—
Opening stock	2,00,000	—
Bills receivable / payable	50,000	85,000
Purchases	2,75,000	—
Sales	—	4,00,000
Returns	5,000	4,500
Plant and Machinery	1,00,000	—
Loose tools	25,000	—
Patents	25,000	—
Debtors	1,25,000	—
Creditors	—	1,40,000
Bank	77,550	—
Salaries and wages	30,000	—
Repairs	7,500	—
Insurance	3,000	—
Power and fuel	3,500	—
Printing and stationery	2,000	—
Misc. Expenses	6,500	—
	<u>9,79,500</u>	<u>9,79,500</u>

Adjustments :

- (i) Closing stock Rs. 1,50,000.
- (ii) Depreciate plant and machinery by 15% and patents by 25%.
- (iii) Provide for doubtful debts at 5% of debtors.
- (iv) Outstanding salaries and wages Rs. 3,500.
- (v) Prepaid insurance Rs. 1,000.

Prepare Trading and profit and Loss Account for the year ended 31st March 2012 and a Balance Sheet as at 31st March 2012.

13. (a) From the following balance sheets and information of Everest Lts. For 2006 and 2007 draw out a funds flow statement and statement of changes in working capital for 2007.

Particulars	2006 Rs.	2007 Rs.
Liabilities		
Equity share capital	2,00,000	3,00,000
8% Preference share capital (redeemable)	1,00,000	50,000
General reserve	20,000	30,000
Capital reserve	—	25,000
Profit and loss account	18,000	27,000
Proposed dividend	28,000	39,000
Sundry creditors	25,000	47,000
Bills payable	10,000	6,000
Liabilities for expenses	8,000	6,000
Provision for taxation	28,000	32,000
	4,37,000	5,62,000
Assets		
Goodwill	50,000	40,000
Land and building	1,00,000	75,000
Plant	90,000	1,91,000
Trade investment	10,000	35,000
Sundry debtors	60,000	90,000
Stock	85,000	78,000
Bills receivable	15,000	18,000
Cash in hand	7,000	6,000
Cash at bank	10,000	22,000
Preliminary expenses	10,000	7,000
	4,37,000	5,62,000

- (i) In 2007 Rs. 18,000 depreciation has been written off from plant account and no depreciation has been charged on land and building.
- (ii) A piece of land has been sold out and the balance has been revalued. Profits on revaluation and sales being transferred to capital reserve. There is no other entry in capital reserve account.

- (iii) A plant was sold for Rs. 12,000 (w.d.v. Rs. 15,000)
- (iv) Rs. 2,100 dividend has been received, but it includes Rs. 600 pre-acquisition dividend.
- (v) An interim dividend of Rs. 10,000 has been paid in 2007.

Or

- (b) Enumerate and explain which financial ratio will be of interest to the following :
 - (i) Potential investors in a company, and
 - (ii) Company's own management.
14. (a) "Cost may be classified in a variety of ways to their nature and information needs of the management." Discuss.

Or

- (b) A product is completed in three consecutive processes. During a particular month the input to process 1 of the basic raw material was 5000 units at Rs. 2 per unit. Other information for the month was as follows :

Particulars	Process 1	Process 2	Process 3
Output (units)	4,700	4,300	4,050
Normal loss as % of input	5	10	5
Scrap value per unit	1	5	6
Direct wages	3,000	5,000	8,000
Direct expenses	9,750	9,910	15,560

Overhead Rs. 32,000 total, chargeable as percentage of direct wages.

There were no opening or closing work-in-progress stocks. Compile three process accounts and finishes stock account with details of abnormal loss and gains, where applicable.

15. (a) Explain 'Relevant costs and benefits' in the context of decision making.

Or

- (b) State the relative economics of the 'make or buy' decision in management control.

Bills Receivables	300	
Insurance	10	
Carriage	150	
Incidental expenses	200	
Stock on 1-1- 2015	2,000	
Cash at Bank	1,250	
Cash in hand	50	
Total	<u>17,500</u>	<u>17,500</u>

Adjustments:

- (i) Charge depreciation on Land Buildings 3 %
- (ii) Plant and Machinery 5%.
- (iii) Interest is to be allowed on capital at 10%.
- (iv) Interest on Loan for one year to be provided at 5 %.
- (v) Provide for bad and doubtful debts at 5%.
- (vi) Stock on 31st December 2012 was Rs. 1,500.

Or

- (b) State and discuss the various Accounting Conventions and the Accounting Concepts in brief.

12. (a) From the following Balance Sheet of Sundaram & Co. as on June 30, 2012, and June 30, 2013, you are required to prepare

- (i) A statement of changes in the working capital

- (ii) Funds flow statement.

Liabilities:	2012	2013	Assets	2012	2013
	Rs.	Rs.		Rs.	Rs.
Share capital	1,80,000	200,000	Goodwill	24,000	20,000
Reserve fund	28,000	36,000	Buildings	80,000	72,000
P & L A/c	39,000	24,000	Machinery	74,000	72,000
Trade creditors	16,000	10,800	Investments	20,000	22,000
Bank overdraft	12,400	2,600	Inventories	60,000	50,800
Prov. For Tax	32,000	34,000	S. Debtors	40,000	44,400
Prov. For Doubtful debts.	3,800	4,200	Cash in hand	13,200	30,400
Total	<u>3,11,200</u>	<u>3,11,600</u>		<u>3,11,200</u>	<u>3,11,600</u>

Additional information:

- (1) Depreciation charged on machinery was Rs. 8,000 and on building, Rs. 8,000.
- (2) Interim dividend paid on January 2013 was Rs. 15,000.
- (3) Provision of Rs. 10,000 was made for taxation during the year ending 30th June 2013.

Or

(b) State and elaborate the tools, its objectives and the techniques of financial statement analysis and its advantages.

13. (a) (i) What are the objectives of inventory valuation?
(ii) Explain any two different methods of inventory valuation and its advantages.

Or

- (b) Explain the concept of
(i) Job order costing
(ii) Process costing
(iii) Activity based costing, with examples.

14. (a) S K & Co., is considering a proposal to buy from outside or make a certain parts which it is manufacturing at present.

The cost data of that part are as follows:

<u>Variable cost per unit:</u>	Rs.
Materials	800
Labour	280
Overhead	140
<u>Fixed cost per unit:</u>	
Depreciation	84
Others	100
	<u>1,404</u>

Should the Company continue to make the part or buy it from outside, if the purchase price is

- (i) Rs. 1,300 per Unit (Brand A) and
- (ii) Rs. 1,200 per Unit (Brand B).

Or

(b) State and explain the important Managerial uses of Break — even analysis and what are its assumptions and limitations?

15. (a) Mani & co. is producing electrical automatic irons.

It is in the process of preparing the budget for 10,000 Units and the following are the budgeted expenses.

	Cost per Unit.	Rs.
(i)	Direct materials	60
(ii)	Direct labour	30
(iii)	Variable overheads	25
(iv)	Fixed overheads (Rs. 1,50,000)	15
(v)	Variable expenses (direct)	05
(vi)	Selling expenses (10% fixed)	15
(vii)	Administration expenses (Rs. 50,000) rigid for all levels of production	05
(viii)	Distribution expenses	05
(ix)	Total cost of sales per unit	160

Prepare a budget for production of 6,000; 7,000 units; and 8,000 Units of irons.

Or

(b) State the objectives, advantages and the limitations of budgetary control.

12. (a) List the various users of financial statements and state their informational needs.

Or

- (b) The following is the Trial Balance of Mr. Ram as at 31.3.2012.

Particulars	Debit Rs.	Credit Rs.
Ram's Capital	-	3,50,000
Ram's Drawings	44,450	-
Opening stock	2,00,000	-
Bills receivable / payable	50,000	85,000
Purchases	2,75,000	-
Sales	-	4,00,000
Returns	5,000	4,500
Plant and Machinery	1,00,000	-
Loose tools	25,000	-
Patents	25,000	-
Debtors	1,25,000	-
Creditors	-	1,40,000
Bank	77,550	-
Salaries and wages	30,000	-
Repairs	7,500	-
Insurance	3,000	-
Power & fuel	3,500	-
Printing & stationery	2,000	-
Misc. Expenses	6,500	-
	<u>9,79,500</u>	<u>9,79,500</u>

Adjustments:

- (i) Closing stock Rs. 1,50,000.
- (ii) Depreciate plant & machinery by 15% and patents by 25%.
- (iii) Provide for doubtful debts at 5% of debtors.
- (iv) Outstanding salaries & wages Rs. 3,500.
- (v) Prepaid insurance Rs. 1,000.

Prepare Trading and Profit and Loss Account for the year ended 31st March 2012 and a Balance Sheet as at 31st March 2012.

13. (a) How would you analyze the financial position of a company from the point of view of (i) an investor, (ii) a creditor, and (iii) a financial executive of the company?

Or

- (b) From the following balance sheets and information of Everest Ltd., for 2006 and 2007 draw out a funds flow statement and statement of changes in working capital for 2007.

Particulars	2006	2007
Liabilities		
Equity share capital	2,00,000	3,00,000
8% Preference share capital (redeemable)	1,00,000	50,000
General reserve	20,000	30,000
Capital reserve	-	25,000
Profit and loss account	18,000	27,000
Proposed dividend	28,000	39,000
Sundry creditors	25,000	47,000
Bills payable	10,000	6,000
Liabilities for expenses	8,000	6,000
Provision for taxation	28,000	32,000
	<u>4,37,000</u>	<u>5,62,000</u>
Assets		
Goodwill	50,000	40,000
Land and building	1,00,000	75,000
Plant	90,000	1,91,000
Trade investment	10,000	35,000
Sundry debtors	60,000	90,000
Stock	85,000	78,000
Bills receivable	15,000	18,000
Cash in hand	7,000	6,000
Cash at bank	10,000	22,000
Preliminary expenses	10,000	7,000
	<u>4,37,000</u>	<u>5,62,000</u>

- (i) In 2007 Rs. 18,000 depreciation has been written off from plant account and no depreciation has been charged on land and building.
 - (ii) A piece of land has been sold out and the balance has been revalued. Profits on revaluation and sales were transferred to capital reserve. There is no other entry in capital reserve account.
 - (iii) A plant was sold for Rs. 12,000 (Written Down Value Rs. 15,000)
 - (iv) Rs. 2,100 dividend has been received, but it includes Rs. 600 pre-acquisition dividend.
 - (v) An interim dividend of Rs. 10,000 has been paid in 2007.
14. (a) "Cost may be classified in a variety of ways according to their nature and information needs of the management." Discuss.

Or

- (b) Product is completed in three consecutive processes. During a particular month the input to process 1 of the basic raw material was 5000 units at Rs. 2 per unit. Other information for the month was as follows:

Particulars	Process 1	Process 2	Process 3
Output (units)	4,700	4,300	4,050
Normal loss as % of input	5	10	5
Scrap value per unit	1	5	6
Direct wages	3,000	5,000	8,000
Direct expenses	9,750	9,910	15,560

Overhead Rs. 32,000 total, chargeable as percentage of direct wages.

There were no opening or closing work-in-progress stocks. Compile three process accounts and finishes stock account with details of abnormal loss and gains, wherever applicable.

15. (a) Explain 'Relevant costs and benefits' in the context of decision making.

Or

- (b) State the relative economics of the 'make or buy' decision in management control.

Reg. No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : 22008

M.B.A. DEGREE EXAMINATION, FEBRUARY/MARCH 2015.

First Semester

DBA 1606 — ACCOUNTING FOR MANAGEMENT

(Regulations 2007/2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What do you mean Accounting Standards?
2. What is inflation accounting?
3. What is intangible asset?
4. What is cash from operation?
5. What is prime cost?
6. What is job order costing?
7. What is Target Costing?
8. State the advantages of Standard Costing.
9. What are the responsibility accounting centers?
10. What is budgetary control?

PART B — (5 × 16 = 80 marks)

11. (a) Explain the various accounting concepts.

Or

- (b) Explain any four-valuation models for human resources.

12. (a) (i) Machinery was purchased on 1.4.2010 for ₹ 1,60,000. On 1.10.2010 another machinery was purchased for ₹ 80,000. On 30.9.2011 the second machine was sold for ₹ 80,000. Assuming that the books are closed on March 31 each year and the depreciation is 10% under diminishing balance method, prepare Machinery account for three years. (8)
- (ii) What are the methods of inventory pricing? (8)

Or

- (b) From the following particulars of Mrs. Mohanavalli prepare Trading and Profit and Loss Account and Balance Sheet for the year ending 31st March 2014.

Particulars	Trial Balance	
	Debit ₹	Credit ₹
Capital		7,50,000
Cash	40,000	
Buildings	4,00,000	
Salary	1,10,000	
Rent and taxes	21,000	
Opening Stock	1,20,000	
Machinery	1,20,000	
Drawings	40,000	
Purchases	5,00,000	
Sales		7,50,000
Carriage inwards	5,000	
Fuel, Gas	37,000	
Sundry Debtors	2,50,000	
Sundry Creditors		1,20,000
Bills Receivable	53,000	
Dividend		28,000
Loan		60,000
Bad debts	2,000	
Advertisement	16,000	
Provision for Bad and Doubtful Debts		6,000
	<u>17,14,000</u>	<u>17,14,000</u>

Adjustments:

- (i) Closing stock ₹ 1,40,000
(ii) Provide 5% for Bad and Doubtful debts.
(iii) Make provision for discount on debtors at 2%.

13. (a) Explain the various tools for financial statement analysis.

Or

- (b) Following are the comparative Balance Sheets of Good Luck Co. as at 31st March.

Liabilities	2006	2007	Assets	2006	2007
	₹	₹		₹	₹
Share capital	10,00,000	11,00,000	Goodwill	50,000	40,000
Debentures	5,00,000	3,00,000	Land and building	4,20,000	6,60,000
General reserve	2,00,000	2,00,000	Plant	6,00,000	8,00,000
Profit and loss	1,10,000	1,90,000	Stocks	2,50,000	2,10,000
Income tax provision	40,000	1,10,000	Debtors	3,00,000	2,40,000
Creditors	50,000	40,000	Cash	3,00,000	24,000
Bills payable	20,000	30,000	Preliminary expenses	30,000	20,000
Provision for doubtful debts	30,000	24,000			
	<u>19,50,000</u>	<u>19,94,000</u>		<u>19,50,000</u>	<u>19,94,000</u>

Additional Information :

- (i) Depreciation for the year 2006-07 for Plant and machinery was ₹ 50,000.
(ii) Income tax ₹ 50,000 was paid during the year 2007.

You are required to prepare:

- (1) A Schedule of change in working capital and
(2) A Statement showing the sources and Application of Funds.

14. (a) "Marginal Costs are primarily used in guiding decisions yet to be made". Explain the statement giving examples.

Or

- (b) Following information has been made available from the cost records of United Automobiles Ltd. manufacturing spare parts.

	X	Y
Selling price	₹. 25	₹. 20
Direct Materials	₹. 8	₹. 6
Direct Wages	24 hours at 25 paise per hour for X 16 hours at 25 paise per hour for Y	
Variable overheads	150% of wages	
Fixed overheads	₹ 750	

The directors want to be acquainted with the desirability of adopting any one of the following alternative sales mixes in the budget for the next period. Advise them on accepting the best option.

- (i) 250 units of X and 250 units of Y
 - (ii) 400 units of Y only
 - (iii) 400 units of X and 100 units of Y
 - (iv) 150 units of X and 350 units of Y.
15. (a) Discuss the salient features of process costing. What are the industries for which process-costing method is suitable?

Or

- (b) The expenses budgeted For production of 10,000 units in a factory are given below:

	₹ Per unit
Material	70
Labour	25
Variable overheads	20
Fixed overheads (Rs. 1,00,000)	10
Variable overheads (Direct)	5
Adm. Overheads (Rs. 50,000)	5
Selling Overheads (10% fixed)	13
Distribution Exp. (10% fixed)	7
	155

Prepare a budget of the production (i) 8,000 units (ii) 6,000 units. Assume that the administration expenses are rigid for all levels of production.

Reg. No.

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : 46006

M.B.A. DEGREE EXAMINATION, AUGUST 2014.

First Semester

DBA 1606 — ACCOUNTING FOR MANAGEMENT

(Regulations 2007/2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Write a note on money measurement concept.
2. What is GAAP?
3. Define depreciation.
4. Write a note on FIFO.
5. What is fund?
6. What do you mean by ratio analysis?
7. What are the elements of cost?
8. What is BEP?
9. What is a by-product?
10. State any four advantages of budgetary control.

PART B — (5 × 16 = 80 marks)

11. (a) Discuss the conventions of accounting.

Or

- (b) Differentiate between financial, cost and management accounting.

12. (a) On 31st March, 2012, the following Trial Balance was extracted from the Books of Vimal. Find out the net profit to be transferred to his Capital Account.

	Debit Rs.	Credit Rs.
Capital A/c		50,000
Plant and Machinery	80,000	
Sales		1,77,000
Purchases	60,000	
Returns	1,000	750
Opening stock	30,000	
Discount	350	800
Bank charges	75	
Sundry Debtors	45,000	
Sundry Creditors		25,000
Salaries	6,800	
Wages	10,000	
Carriage Inwards	750	
Carriage outwards	1,200	
Bad Debts provision		525
Rent, Rates and Taxes	10,000	
Advertisements	2,000	
Cash in hand	900	
Cash at bank	6,000	
	2,54,075	2,54,075

The following adjustments are required:

- (i) Closing stock Rs. 35,000
- (ii) Depreciate Plant at 6% p.a.
- (iii) Bad debts provision to be adjusted to Rs.500
- (iv) Interest on capital to be allowed at 5% p.a.

Or

- (b) (i) On 1st January, 2004, a firm purchased machinery worth Rs.50,000. On 1st July 2006 it buys additional machinery worth Rs.10,000 and spends Rs.1,000 on its erection. The accounts are closed each year on 31st December. Depreciation is written off at 10% per annum. Show the machinery account under diminishing balance method for three years. (8)
- (ii) Explain the causes of depreciation. (8)

13. (a) From the following information prepare a fund flow statement.

Liabilities	2007	2008	Assets	2007	2008
Share capital	12,00,000	12,00,000	Cash	1,06,000	62,000
Reserves and Surpluses	13,84,000	17,28,000	Investments	1,74,000	-
Loan from bank	2,00,000	4,70,000	Sundry debtors	6,92,000	10,56,000
Sundry creditors	8,26,000	12,54,000	Stock	8,64,000	13,66,000
Bills payable	4,52,000	6,28,000	Fixed assets	22,26,000	27,96,000
	<u>40,62,000</u>	<u>52,80,000</u>		<u>40,62,000</u>	<u>52,80,000</u>

Depreciation of Rs.3,78,000 was written off in 2008 on fixed assets.

Or

- (b) Define ratio analysis. Explain the different categories of ratios. State its limitations.
14. (a) The sales turnover and profit during two periods were as follows

	Period I	Period II
Sales	20,00,000	2,00,000
Profit	30,00,000	4,00,000

Calculate

- (i) PV ratio
(ii) Fixed cost
(iii) The sales required to earn a profit of Rs.50,000
(iv) The profit when sales are Rs.1,00,000.

Or

- (b) What is meant by equivalent production? Discuss its importance in valuing work-in-progress.
15. (a) What is responsibility accounting? State the benefits and limitations to be encountered in introducing a system of responsibility accounting in a manufacturing organization.

Or

- (b) Prepare a flexible budget for overheads on the basis of the following data and ascertain overhead rates at 50%, 60% and 70% capacity.

At 60% capacity
Rs.

Variable overheads	
Indirect material	6,000
Indirect labour	18,000
Semi-variable overheads	
Electricity (40% fixed 60% variable)	30,000
Repairs (80% fixed 20% variable)	3,000
Fixed overheads	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total overheads	<u>93,000</u>
Estimated direct labour hours	<u>1,86,000</u>

Reg. No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : 96006

M.B.A. DEGREE EXAMINATION, FEBRUARY/MARCH 2014.

First Semester

DBA 1606 — ACCOUNTING FOR MANAGEMENT

(Regulations 2007/2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What are the accounting conventions?
2. What are the differences between Financial Accounting and Management Accounting?
3. What are the Revenue recognition criteria?
4. What is the need of depreciation?
5. List out the limitations of ratio analysis.
6. What are the utilities of funds flow analysis?
7. Give the classification of manufacturing costs.
8. What is meant by activity based costing?
9. What are the relevant costs for decision making?
10. What is meant by responsibility centres?

PART B — (5 × 16 = 80 marks)

11. (a) Explain in brief the cost based approaches of human resources accounting.

Or

- (b) The following trial balance of M/s Harini & Company was taken on 31.12.2011.

Trial balance as on 31.12.2011

Particulars	Debit Rs.	Credit Rs.
Capital		15,000
Bills payable		1,180
Drawings	750	
Stock on 1.1.2011	6,920	
Bills receivable	1,000	
Purchase returns		320
Sales returns	300	
Purchases	4,500	
Sales		8,300
Wages	70	
Discount		30
Salaries	200	
Prudential Bank Shares	3,000	
Insurance	120	
Buildings	3,000	
Furniture	700	
Sundry debtors	6,000	
Sundry creditors		1,300
Cash in hand	470	
Bank over draft		900
	27,030	27,030

Prepare trading A/c, profit and loss A/c and balance sheet, taking into account the following facts :

- (i) The insurance premium of Rs. 120 has been paid for the half year ending 30.06.2011.
- (ii) Depreciate buildings and furniture by 10%.
- (iii) A sum of Rs. 40 due for wages has not been paid.
- (iv) Reserve 10% of the book debts for bad and doubtful debts.
- (v) Stock of goods on 31.12.2011 was Rs. 8,000.

12. (a) Explain in brief different depreciation methods and their impact on profit.

Or

- (b) From the following data about the goods purchased and sold by Harihara Company, calculate the cost of goods sold and inventory under LIFO and FIFO methods.

	Units	Rs. per unit
Opening balance	60	10
Purchases :	100	11
	100	13
	40	15
Sales	220	

13. (a) Explain the following with examples :

- (i) Liquidity ratio. (4)
(ii) Debt collection period. (4)
(iii) Operating ratio. (4)
(iv) ROI. (4)

Or

- (b) From the following particulars of M/s Harshini Co. Ltd. prepare cash flow statement :

	Balance sheet as at 31 st December				
	2010 Rs.	2011 Rs.		2010 Rs.	2011 Rs.
Share capital	7,00,000	7,40,000	Goodwill	1,00,000	50,000
Debentures	1,20,000	60,000	Land	2,00,000	3,00,000
Reserve for doubtful debts	7,000	8,000	Stocks	4,92,000	4,27,000
Creditors	1,04,000	1,18,000	Debtors	1,49,000	1,77,000
P & L A/c	1,00,000	1,06,000	Cash	90,000	78,000
Total	<u>10,31,000</u>	<u>10,32,000</u>		<u>10,31,000</u>	<u>10,32,000</u>

Additional Information :

- (i) Dividends paid during the year was Rs. 35,000
(ii) Land was purchase for Rs. 1,00,000.

14. (a) Explain the following :

- (i) Standard costing. (4)
(ii) Process costing. (4)
(iii) ABC (4)
(iv) Target costing. (4)

Or

(b) From the following information, find out :

- (i) Contribution
- (ii) BEP in Units
- (iii) Margin of safety and
- (iv) Profit.

	Rs.
Total fixed costs	4,500
Total variable costs	7,500
Total sales	15,000
Units sold	5,000 (units)

15. (a) From the following information of Jaya & Co., advise the management whether to accept the special order or not with reasons :

20,000 units of production
(at 60% capacity)

	Rs.
Material costs	85,000
Labour costs	1,15,000
Factory overheads :	
Variable	1,55,000
Fixed	1,25,000
Selling costs :	
Variable	16,500
Fixed	72,500

The special order is received for 10,000 units @ Rs. 187.50 per unit at no selling expenses.

Or

(b) ABC Ltd. produces 10,000 units of a component 'X' in a year, the cost structure of which is as follows :

Direct material – Rs. 10 per unit

Direct labour – Rs. 8 per unit

Total factory overhead – Rs. 1,60,000 (20% is variable)

- (i) If the same component is available in the market at Rs. 28 per unit, should the company make or buy the component 'X'? (8)
- (ii) If the company could rent out the factory for Rs. 1,000 per month, what would be your decision? (8)

Reg. No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : 86006

M.B.A. DEGREE EXAMINATION, AUGUST 2013.

First Semester

DBA 1606 — ACCOUNTING FOR MANAGEMENT

(Regulation 2007/2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Define Financial accounting.
2. What is meant by Management accounting?
3. Define Depreciation.
4. What do you mean by intangible assets?
5. What is a cash flow statement?
6. What is Economic Value Added (EVA)?
7. Define Cost accounting.
8. Describe Job costing.
9. What do you mean by Break-even Point?
10. Define Budgetary Control.

PART B — (5 × 16 = 80 marks)

11. (a) Elucidate on the various accounting conventions and concepts.

Or

- (b) From the following prepare the Final Accounts for the year ending 31st March 2011.

	Rs.		Rs.
Stock	18,000	Cash at Bank	5,000
Purchases	60,000	Drawings	6,000
Wages	8,000	Bills receivables	7,000

	Rs.		Rs.
Salaries	11,000	Reserve for discount on creditors	550
Rent and Rates	3,000	Discount allowed	545
Insurance	2,000	Carriage	2,000
Machinery	30,000	Sales	1,15,000
Buildings	40,000	Capital	70,000
Sundry Debtors	15,000	Sundry Creditors	21,000
Furniture	6,000	Bills Payables	8,430
General expenses	1,000	Provision for Doubtful Debt	1,000
Cash in hand	2,000	Discount Received	840
Bad Debts	650	Provision for Discount on Debtors	475
Outstanding Salaries	1,000		

Additional Information :

Provision for doubtful debts is to be maintained at 5% on debtors. Provision for discount on debtors is to be maintained at 2%. Reserve for discount on creditors is to be maintained at 3%. Depreciate machinery and building @ 10% p.a. and furniture @ 5% p.a. Stock in hand on 31 March 2011 is Rs 24,000.

12. (a) Explain the rationale of preparing a Balance Sheet.

Or

- (b) Alpha Limited Company purchased on 1st January 2010 a small plant for Rs 10,000. On 1st July in the same year, an additional plant was purchased costing Rs 5,000. On 1st October 2012 the plant purchased on 1st January 2010 having become obsolete, is sold off for Rs 6,750. On the same date, a fresh plant was purchased for Rs 12,000. Depreciation is provided at 10% p.a. on the straight-line method.

Prepare Plant Account and Depreciation Account for three years assuming that the accounts are closed on 31st December every year.

13. (a) Distinguish between Cash flow and Fund Flow Statement.

Or

- (b) The Balance Sheets of Hari Ltd. As on 31st December, 2006 and 2007 are given below :

Particulars	31.12.2006	31.12.2007
Share capital	6,00,000	8,00,000
Capital reserve	-	20,000
General reserve	3,40,000	4,00,000
Profit and loss account	1,20,000	1,50,000

Particulars	31.12.2006	31.12.2007
Debentures	4,00,000	2,80,000
Current liabilities	2,40,000	2,60,000
Provision for Income Tax	1,80,000	1,70,000
Proposed dividend	60,000	72,000
Unpaid dividend	—	8,000
	<u>19,40,000</u>	<u>21,60,000</u>
Fixed assets : at cost	16,00,000	19,00,000
Less : Depreciation	4,60,000	5,80,000
	<u>11,40,000</u>	<u>13,20,000</u>
Trade Investment	2,00,000	1,60,000
Current assets	5,60,000	6,60,000
Preliminary expenses	40,000	20,000
	<u>19,40,000</u>	<u>21,60,000</u>

During the year 2007, the company :

- (i) Sold one machine for Rs. 50,000 the cost of which was Rs. 1,00,000 and the depreciation provided on it was Rs. 40,000.
- (ii) Provide Rs. 1,80,000 as depreciation.
- (iii) Redeemed 30% of the Debentures @ Rs. 105.
- (iv) Sold some Trade Investments at a profit of Rs.20,000, which was credited to Capital Reserve.
- (v) Decided to value stock at cost, whereas previously the practice was to value stock at cost less 10%. The stock according to books on 31.12.2006 was Rs. 1,08,000. The stock on 31.12.2007 was correctly valued at Rs. 20,000 and has been provided.

You are required to prepare the statement of Sources and Application of Funds during 2007 showing the changes in the Working Capital.

14. (a) What is Margin of Safety? Enumerate the steps required to improve the Margin of Safety.

Or

- (b) A company selling price per unit is Rs. 9 and Variable Cost is Rs. 6 per unit. Fixed Costs amount to Rs. 36,000.

Calculate :

- (i) Break even point in unit
- (ii) Break even point in rupees.

15. (a) "Management Accounting" is concerned with accounting information which is useful to management". Explain.

Or

- (b) A company's plant processes 1,50,000 kgs of raw material in a month to produce two products, viz, 'P' and 'Q'. The cost of raw material is Rs. 12 per kg. the process costs per month are :

	Rs.
Direct materials	90,000
Direct wages	1,20,000
Variable overheads	1,00,000
Fixed overheads	1,00,000

The loss in process is 5% of input and the output ratio of *P* and *Q* which emerge simultaneously is 1 : 2. The selling prices of the two products at the point of split off rate is *P* Rs. 12 per kg and *Q* Rs. 20 per kg. A proposal is available to process *P* further by mixing it with other purchased materials. The entire current output of the plant can be so processed further to obtain a new product '*S*'. The price per kg. of *S* is Rs. 15 and each kg of output of *S* will require one kilogram of input *P*. the cost of processing of *P* into *S* (including other materials) is Rs. 1,85,000 per month.

You are required to prepare a statement showing the monthly profitability based both on the existing manufacturing operations and on further processing. Will you recommend further processing?

12. (a) (i) Define Ledger and what is the position of Ledger in Book-Keeping? What is its need? (4)

(ii) Journalise the following transactions and Post them into Ledger.

Date		Rs.
2012, March 1	Ali commenced business with cash	10,000
March 2	Paid into Bank	8,000
March 3	Bought goods for cash	500
March 4	Bought furniture for office	400
March 5	Drew from Bank cash for office use	1,000
March 6	Goods sold to Khan	600
March 7	Bought goods from Ali	400
March 8	Paid Trade Expenses	100
March 9	Paid to Ali on account	400
March 10	Received Cash from Khan	600
March 11	Paid Rent	200
March 12	Cash Sales	12,000

(12)

Or

(b) (i) What do you understand by Depreciation? Discuss any three main causes of Depreciation. What are the basic factors to be taken into account while computing depreciation? (8)

(ii) On 15th January, 2009 a firm purchased a machine costing Rs. 15,000. On July 1st it purchased another machine for Rs. 12,000 and another machine for Rs.50,000. It was estimated that the three machines will work only till 31st December 2011. Scrap value is zero. Create reserve for depreciation account and write up machinery account and reserve for depreciation account. (8)

13. (a) The summarized Balance Sheet of XYZ Ltd as at 31.12.2010 and 2011 are given below :

Liabilities	2010 Rs.	2011 Rs.	Assets	2010 Rs.	2011 Rs.
Share Capital	4,50,000	4,50,000	Fixed Assets	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investments	50,000	60,000
Profit and Loss A/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provision for Tax	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage Loan	—	2,70,000			
Total	10,49,000	12,42,000	Total	10,49,000	12,42,000

Additional Information :

- (i) Investments costing Rs.8,000 were sold during the year 2011 for Rs. 8,500.
 - (ii) Provision for Tax made during the year was Rs. 9,000.
 - (iii) During the year part of Fixed Assets costing Rs.10,000 was sold for Rs.12,000 and the profit was included in the Profit and Loss Account.
 - (iv) Dividend paid during the year amounted to Rs. 40,000.
- Prepare Funds Flow Statement.

Or

- (b) What is a Fund Flow Statement? Explain the need, objectives and its significance in managerial decisions.
14. (a) Explain cost analysis and its types. Discuss its importance in decision making.

Or

- (b) The product of a company passes through three distinct processes to completion. From the past experience it is ascertained that wastage is incurred in each process as under: Process A 2% ; Process B 5%; Process C 10%. The wastage of process A and B is sold at Rs.10 per 100 units and that of process C at Rs.80 per 100 units.

Following is the information regarding the Production of March 2012 : .

	Process A	Process B	Process C
	Rs.	Rs.	Rs.
Materials	12,000	8,000	4,000
Direct Labour	16,000	12,000	6,000
Machine Expenses	2,000	2,000	3,000
Other Factory Expenses	3,500	3,800	4,200

20,000 units have been issued to Process A at a cost of Rs. 20,000. The output of each process has been as under:

Process A 19,500 Units; Process B 18,800 units; Process C 16,000 units. There was no stock or Work in progress in any process in the beginning and at the end of March.

Prepare Process Cost Accounts for Process A, B and C.

15. (a) "Budgeting is a tool of planning and control" — Comment. Explain the merits of budgetary control.

Or

- (b) Discuss the merits and demerits of Responsibility Accounting.

Reg. No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : 75506

M.B.A. DEGREE EXAMINATION, AUGUST 2012.

First Semester

DBA 1606— ACCOUNTING FOR MANAGEMENT

(Regulation 2007/2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What do you mean by financial accounting?
2. Define management accounting.
3. Name any four accounting conventions.
4. What is meant by process costing?
5. What do you mean by Budgetary control?
6. Point out any two application of funds.
7. What is responsibility accounting?
8. Write any four uses of marginal costing.
9. Write a formula for inventory turnover ratio.
10. Define inflation accounting.

PART B — (5 × 16 = 80 marks)

11. (a) Elucidate the relevant concepts and conventions of accounting.

Or

- (b) Following are the balances extracted from the books of Deepak as on 31st December 2008. Prepare final accounts as on the date.

	Rs.		Rs.
Capital	20,000	Drawings	5,000
Cash on hand	5,000	Cash at Bank	8,000
Buildings	20,000	Machinery	6,000
Stock on 1.1.2008	3,000	Sundry Debtors	8,000
Sundry creditors	6,000	Repairs	400
Commission paid	700	Wages	1,700
Rent and Rates	300	Insurance Premium	300
Purchases	60,000	Sales	96,000
Purchases returns	750	Sales returns	400
Furniture and fixtures	1,600	Carriage	200
Loan to Ram	1,000	Telephone charges	250
Discount allowed	50	Salaries	600
Bad Debts	350	Discount earned	100

12. (a) Explain the methods of valuation of inventories.

Or

- (b) On 1.1.1999 ABC Ltd; purchased five machines for Rs. 20,000 each. Depreciation is charged at the rate of 10% p.a. on cost. The accounting year ends on 31st December each year. On 31.3.2000 one machine was sold for Rs. 16,000 and on 30.9.2001 another machine was sold for Rs. 15,000. A new machine was purchased on 30.6.2002 for Rs. 24,000. Prepare machinery account and provision for depreciation account for four years.

13. (a) What is cash flow statement? What are its uses? Also, explain the limitations.

Or

- (b) The following are the summarized balanced sheets of X Ltd; as on 31st December 2009 and 2010.

Liabilities	31 st Dec		Assets	31 st Dec	
	2009	2010		2009	2010
	Redeemable Preference shares	-		10,000	Fixed Assets
Equity shares	40,000	40,000	Less: Depreciation	11,000	15,000
General reserve	2,000	2,000		30,000	25,000
Profit and loss a/c	1,000	1,200	Debtors	20,000	24,000
Debentures	6,000	7,000	Stock	30,000	35,000
Creditors	12,000	11,000	Prepaid expenses	300	500
Provision for tax	3,000	4,200	Cash	1,200	3,500
Proposed dividend	5,000	5,800			
Bank Overdraft	12,500	6,800			
	<u>81,500</u>	<u>88,000</u>		<u>81,500</u>	<u>88,000</u>

You are required to prepare

- (i) A statement showing changes in working capital.
 - (ii) A statement of sources and application of funds.
14. (a) Examine the different methods of costing.

Or

- (b) The details given below have been taken from the cost records of an engineering works in respect of the job no. 303

Material Rs. 4,010

Wages : Department A: 60 hours @ Rs. 3 per hour
 Department B: 40 hours @ Rs. 2 per hour
 Department C: 20 hours @ Rs. 5 per hour

The overhead expenses are as follows

Variable : Department A: Rs. 5000 for 5000 hours
 Department B: Rs. 3000 for 1500 hours
 Department C: Rs. 2000 for 500 hours

Fixed expenses Rs., 20,000 for 10,000 working hours. Calculate the cost of the job No. 303 and the price for the job to give a profit of 25% on the selling prices.

15. (a) Explain the advantages and limitations of budgetary control.

Or

- (b) An analysis of digital manufacturing co; Ltd submits the following information:

Cost element	Variable cost (% Sales)	Fixed cost (Rs)
Direct Material	33.8	-
Direct Labour	28.4	-
Factory Overheads	12.6	1,89,900
Distribution overheads	4.1	58,400
General Administration overheads	1.1	66,700

Budgeted sales are Rs. 18,50,000. You are required to determine;

- (i) The break even sales volume
- (ii) Profit at the budgeted sales value
- (iii) The profit if actual sales
 - (1) Drop by 10%
 - (2) Increase by 5% from budgeted sales.

Reg. No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : 85506

M.B.A. DEGREE EXAMINATION, FEBRUARY 2012.

First Semester

DBA.1606 — ACCOUNTING FOR MANAGEMENT

(Regulation 2007/2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. State and explain two accounting concepts.
2. Distinguish between gross profit and net profit.
3. What do you understand by matching principle?
4. What principle is adopted for pricing of inventories in preparing an Income statement?
5. Explain the concept of funds.
6. What are liquid ratios?
7. What is meant by activity based costing?
8. What is the meaning of contribution and its use in decision making?
9. Define budgetary control.
10. What criteria are used for evaluating performance of profit centres?

PART B — (5 × 16 = 80 marks)

11. (a) Examine the need for accounting for human resources and the approaches to its valuation.

Or

- (b) From the following particulars of Mrs. S prepare a trading and Profit and Loss Account and Balance Sheet for the year ending 31st March, 2009 :

Trial Balance		
Particulars	Debit Rs.	Credit Rs.
Capital		7,50,000
Cash	40,000	
Buildings	4,00,000	
Salary	1,10,000	
Rent & Taxes	21,000	
Opening stock	1,20,000	
Machinery	1,20,000	
Drawings	40,000	
Purchases	5,00,000	
Sales		7,50,000
Carriage inwards	5,000	
Fuel, Gas	37,000	
Sundry Debtors	2,50,000	
Sundry Creditors		1,20,000
Bills Receivable	53,000	
Dividend received		28,000
Loan		60,000
Bad debts	2,000	
Advertisement	16,000	
Reserves		6,000
	<u>17,14,000</u>	<u>17,14,000</u>

Adjustments :

- (i) Closing stock Rs. 1,40,000
- (ii) Write off Rs. 10,000 depreciation
- (iii) Salaries outstanding is Rs. 10,000
- (iv) Rs. 1,000 of advertisement relates to the next accounting year
- (v) Transfer Rs. 4,000 to reserves.

12. (a) (i) What are intangible assets? Give examples. (8)
(ii) State the methods of providing depreciation for tangible fixed assets and intangible assets. (8)

Or

- (b) On July 1, 2007, a company purchased a machine for Rs. 3,90,000 and spent Rs. 10,000 on its installation. It decided to provide depreciation @ 15 % on the written down value method. On November 30, 2010 the machine was sold for Rs. 1,00,000. The Company closes its books every year on March 31. Show the Machinery a/c for the above period giving the value of the machinery every year and the profit or loss on disposal of the machine.

13. (a) What is the need for analysis of financial statements? What are the types of such analysis?

Or

- (b) From the following Balance Sheets of XYZ Ltd. on 31st December, 2008 and 2009, you are required to prepare funds flow statement.

Liabilities	2008	2009	Assets	2008	2009
Share capital	1,00,000	1,00,000	Goodwill	12,000	12,000
General reserve	14,000	18,000	Buildings	40,000	36,000
Profit and Loss a/c	16,000	13,000	Plant	37,000	36,000
Sundry creditors	8,000	5,400	Investment	10,000	11,000
Bills payable	1,200	800	Stock	30,000	23,400
Provision of taxation	16,000	18,000	Bills receivable	2,000	3,200
Provision for doubtful Debts	400	600	Debtors	18,000	19,000
			Cash	6,600	15,200
	<u>1,55,600</u>	<u>1,55,800</u>		<u>1,55,600</u>	<u>1,55,800</u>

The following additional information has also been given :

- (i) Depreciation charged on plant was Rs. 4,000 and on Building Rs. 4,000
(ii) Provision for taxation of Rs. 19,000 was made during the year 2009
(iii) Interim dividend of Rs. 8,000 was paid during the year 2009.
14. (a) How are costs classified? Briefly describe each of such cost?

Or

- (b) The standards for producing 1 unit of a component X is 5 kgs of raw materials at Rs. 100 per kg. During a month 1,000 units of X was manufactured. 5,300 kgs. of raw materials was purchased for Rs. 5,83,000 and 500 kgs. of the materials remained in stock unused. Calculate the material variances.

15. (a) Discuss the merits and budgeting as a tool of planning of control.

Or

(b) Discuss the merits and demerits of Responsibility accounting. (16)

Reg. No. :

--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : 95506

M.B.A. DEGREE EXAMINATION, AUGUST 2011.

First Semester

DBA 1606 — ACCOUNTING FOR MANAGEMENT

(Regulation 2009/2007)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What are the objectives of accounting?
2. Differentiate financial and cost accounting.
3. What are intangible assets?
4. What are accrued revenues?
5. List some demerits of job order costing.
6. "Liquidity is necessary but too much of liquidity is harmful" – Comment on this statement.
7. What is standard costing?
8. What is CVP analysis?
9. What are the advantages of zero based budgeting?
10. What is responsibility accounting?

PART B — (5 × 16 = 80 marks)

11. (a) Explain in detail the principles of accounting.

Or

(b) The following is the trial balance of Shiva traders on December 2010.

Particulars	Debit	Credit
	(Rs.)	(Rs.)
Cash in hand	1,500	
Cash at bank	3,000	
Purchases	1,10,000	
Returns Inwards	1,500	
Wages	20,000	
Power and Fuel	8,000	
Carriage Outwards	6,000	
Carriage Inwards	5,000	
Opening Inventory	6,000	
Land	10,000	
Building	80,000	
Machinery	30,000	
Patents	15,000	
Salaries	12,000	
Sundry expenses	6,000	
Insurance	1,000	
Drawings	8,000	
Accounts receivable	15,000	
Sales		2,50,000
Returns outwards		2,000
Capital		56,000
Accounts payable		30,000

Prepare trading and P and L account for the year ended and balance sheet as on 31st December, 2010. Adjustments to be made are given below :

- (i) Closing inventory as on 31st December 2010 is Rs. 20,000.
- (ii) Provision for bad and doubtful receivables at 5% on debtors.
- (iii) Outstanding salary Rs. 5,000
- (iv) Outstanding wages Rs. 3,000
- (v) Depreciation at 10% on all assets.

12. (a) Write short notes on the following :

- (i) Inflation accounting. (5)
- (ii) Human Resource Accounting (5)
- (iii) Inventory Pricing. (6)

Or

- (b) A firm purchases a plant for a sum of Rs.11,000 on 1st January, 2000. Installation charges are Rs. 2,000. Plant is estimated to have a scrap value of Rs. 1,000 at the end of its useful life of 5 years. Prepare a plant account for five years charging depreciation according to straight line method.

13. (a) Explain the following with examples :

- (i) Du Pont Analysis (4)
- (ii) Debt equity Ratio (3)
- (iii) Return on Equity (3)
- (iv) Return on capital Employed (3)
- (v) Dividend Payout ratio. (3)

Or

(b) Balance of M/s Ram and Shyam enterprises as on Dec. 2009 and Dec. 2010 were as follows :

Particulars	31 st Dec. 2009 (Rs.)	31 st Dec. 2010 (Rs.)	Particulars	31 st Dec. 2009 (Rs.)	31 st Dec. 2010 (Rs.)
Creditors	80,000	88,000	Cash	20,000	14,000
Shyam's loan	50,000	0	Debtors	60,000	1,00,000
Loan from bank	80,000	1,00,000	Stock	70,000	50,000
Capital	2,50,000	3,06,000	Machinery	1,60,000	1,10,000
			Land	80,000	1,00,000
			Buildings	70,000	1,20,000
	<u>4,60,000</u>	<u>4,94,000</u>		<u>4,60,000</u>	<u>4,94,000</u>

During this year, the machine costing Rs.20,000 (total depreciation written off Rs.6,000) was sold for Rs. 10,000. The provision for depreciation as on 1st Jan 2010 was Rs.50,000 and on 31st Dec. 2010 was Rs.80,000. Net profit for the year ended 31st Dec. 2010 amounted to Rs.90,000. Prepare cash flow statement.

14. (a) Differentiate the following with examples :
- (i) Opportunity Cost and Incremental cost (4)
 - (ii) Controllable and Uncontrollable cost (4)
 - (iii) Sunk and Committed cost (4)
 - (iv) Value added and non value added cost. (4)

Or

- (b) The following cost data of More Mileage Limited for the month of August are furnished. Prepare a cost sheet for the month of August, 2003.

Particulars	Rs.
Sales	77,10,190
Stock of Materials :	
As on 31.07.2003	32,75,401
As on 31.08.2003	37,98,057
Work in Progress :	
As on 31.07.2003	15,65,712
As on 31.08.2003	14,96,832
Finished Goods :	
As on 31.07.2003	20,74,123
As on 31.08.2003	21,45,678
Wages	16,57,104
Salaries	5,09,876
Selling Expenses	2,34,567
Purchases	42,67,890

Particulars	Rs.
Managerial	
Remuneration	1,74,962
Power and Fuel	4,32,109
Depreciation on	
Plant and Machinery	1,34,678
Factory Building	54,106
Office Equipment	21,654
Factory Lighting	15,876
Office Lighting	4,679
Salesman Salaries	43,210
Advertisement	1,46,890

15. (a) A firm has 2 products B and C. The particulars of the price per unit, variable cost per unit and percentage of share in the total sales volume are given below in table 1.

Table 1. Product Mix I

Products	Selling price	Variable cost	% of share
B	Rs.40	Rs.16	40%
C	Rs.50	Rs.20	60%

The total fixed costs during the year amount to Rs. 1,00,000. The total volume of sales is Rs.8,00,000. The company wants to drop product B as it is yielding less contribution per unit. Instead it wants to add product D, If D is added, the new fixed cost is likely to be Rs.1,25,000 and the sales volume is likely to increase to Rs. 9,00,000. The new scenario is given in table 2.

Table 2. Product Mix II

Products	Selling price	Variable cost	% of share
C	Rs.50	Rs.20	70%
D	Rs. 60	Rs.24	30%

Do you recommend the change?

Or

- (b) A firm has a fixed cost of Rs.50,000; selling price per unit is Rs. 50 and variable cost per unit is Rs.25. Present level of production is 3500 units
- (i) Determine break even point in terms of volume and also sales volume. (7)
 - (ii) Calculate the margin of safety. (2)
 - (iii) What is the change in break even point and margin safety if fixed costs increase from Rs.50,000 to Rs.60,000? (7)
-

Reg. No. :

Question Paper Code : 85506

M.B.A. DEGREE EXAMINATION, FEBRUARY 2011.

First Semester

DBA 1606 — ACCOUNTING FOR MANAGEMENT

(Regulation 2009/2007)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Define Accounting cycle.
2. What is meant by management accounting?
3. Define balance sheet.
4. Differentiate between cost accounting Vs financial accounting (any two differences).
5. Write the Human Resource Accounting Functions.
6. What is meant by inflation accounting?
7. Draw a Du Pont Chart.
8. Write the Debt-equity ratio.
9. Describe the responsibility accounting.
10. Differentiate between cost centre and cost unit.

PART B — (5 × 16 = 80 marks)

11. (a) Explain accounting concepts (any four) that underline the process of recording the transactions in the books of accounts.

Or

- (b) Journalise the following transactions :

Date		Rs.
2010 Jan. 1	Bought goods on credit from Raju	200
2010 Jan. 2	Goods returned by Murthy	25
2010 Jan. 3	Paid carriage	50
2010 Jan. 4	Received cash from Govind	500
2010 Jan. 5	Paid Insurance Charges	50
2010 Jan. 6	Sale of type writer	250
2010 Jan. 7	Sold goods to Hari	150
2010 Jan. 8	Commission received in cash	200

12. (a) Explain the methods of depreciation :

- (i) Straight line method and
(ii) Diminishing balance method.

Also illustrate.

Or

- (b) From the following trial balance of Vijaya Lakshmi. Prepare trading and profit and loss A/C and balance sheet for year ended 31st December 2010.

Particulars	L.F.	Debit	Credit
Sundry Debtors		10,000	
Sundry creditors			7,000
Bills payable			15,000
Sales			60,000
Opening stock		6,000	
Purchases		37,000	
Returns		2,000	1,000
Discount			1,000
Insurance		1,000	
Carriage		2,000	
Wages		1,500	
Salaries		1,500	

Particulars	L.F.	Debit	Credit
Octroi		500	
Advertising		1,000	
Furniture		4,000	
Postage		500	
Cash at Bank		12,000	
Drawings		2,000	
Loose tools		3,000	
Provision for bad debts			500
Bad debts		400	
Capital			25,500
Petty expenses		600	
Buildings		15,000	
Free hold property		5,000	
Machinery		5,000	
		<u>1,10,000</u>	<u>1,10,000</u>

Adjustments :

- (i) Closing stock Rs. 9,000.
- (ii) Depreciation on machinery 5% Furniture 10%.
- (iii) Interest on capital 6%.
- (iv) Outstanding salaries and wages Rs. 500, Rs. 300 respectively.
- (v) Written off Rs. 300 for further bad debts.
- (vi) Creation provision for doubtful debts 5%.

13. (a) Explain :
- (i) Gross Profit Margin
 - (ii) Inventory Turnover Ratio
 - (iii) Current ratio and quick ratio
 - (iv) Earnings per share (EPS).

Or

- (b) Following is the balance sheet and profit and loss A/c of Sidhartha Ltd. for the year ending Dec. 31, 2009.

Balance sheet as on 31st December 2009.

Particulars	Rs.	Particulars	Rs.
Share capital		Fixed assets	1,10,000
(Rs. 10 shares each)	40,000	Liquid assets	30,000
	3		85506

Particulars	Rs.	Particulars	Rs.
Reserves and Surplus	30,000	Other current assets	50,000
Overdraft (short term)	40,000		
Current liabilities	80,000		
	1,90,000		1,90,000

Profit and Loss A/C for the year ending 31st December 2009.

Particulars	Rs.	Particulars	Rs.
To Opening Stock	20,000	By Sales	2,80,000
To purchases	2,20,000	By Closing Stock	30,000
To Expenses	30,000		
To Net Profit	40,000		
	3,10,000		3,10,000

You are required to comment on the general financial condition of the company taking into account relevant ratios.

14. (a) What are the different methods of costing? Explain in brief.

Or

- (b) Explain Inventory pricing and valuation methodologies with suitable example.

15. (a) Explain the concept of budget? What are its advantages? Explain the main tool for implementing budgets.

Or

- (b) The sales turnover and profit during two years were as follows :

Year	Sales Rs.	Profit (Rs.)
2009	1,40,000	15,000
2010	1,60,000	20,000

You are required to calculate :

- (i) P/V ratio
- (ii) F.C.
- (iii) Sales required to each a profit of Rs. 40,000
- (iv) Profit when sales are Rs. 1,20,000.

Reg. No. :

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code : GG 1506

M.B.A. DEGREE EXAMINATION, AUGUST 2010.

First Semester

DBA 1606 – ACCOUNTING FOR MANAGEMENT

(Regulation 2009/2007)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. List down and define any two accounting conventions.
2. Differentiate management accounting from financial accounting.
3. List down the merits of straight line method of providing depreciation.
4. What are the concept of inflation accounting?
5. Differentiate between depreciation and amortization.
6. What do you mean by budgetary control.
7. Give examples for allocation of overheads.
8. Give examples for apportionment of overheads.
9. List down the assumptions on which marginal costing is carried out.
10. Explain the concept of activity based costing.

PART B — (5 × 16 = 80 marks)

11. (a) From the following particulars taken from Raj & co prepare trading, profit and loss account and balance sheet as on 31-3-2010

S.No	Particulars	Debit	Credit
1	Capital		11000
2	Bank	500	
3	Plant and machinery	3500	
4	Land and building	4200	
5	Debtors	1150	
6	Cash	250	
7	Purchase and sales	2000	7500
8	Purchase return and sales return	200	150
9	Bills receivable	150	
10	Bills payable		200
11	Wages	2400	
12	Salaries	1200	
13	Creditors		650
14	Discount		100
15	Stock on 1-4-2009	700	
16	Furniture	500	
17	Carriage inwards	100	
18	Carriage outwards	200	
19	Advertising	150	
20	Travelling Expenses	50	
21	Loans		2700
22	Van	5000	
23	Telephone	50	
	Total	<u>22300</u>	<u>22300</u>

Adjustments

- (i) Stocks on 31-3-2010 was valued at Rs.1500
- (ii) Wages outstanding Rs.100
- (iii) Salaries prepaid Rs.200
- (iv) Provide depreciation on furniture by 10%

Or

- (b) List down and explain with hypothetical examples the various ratios that can be used for carrying out a financial statement analysis.

12. (a) Explain the various accounting concepts.

Or

- (b) A firm purchases a plant for a sum of Rs.10000 on 1st January 2010. Installation charges are Rs.2000. Plant is estimated to have a scrap value of Rs.1000 at the end of its useful life of five years. You are required to prepare plant account for five years charging depreciation according to straight line method.

13. (a) The cost details were extracted from ABC Ltd's cost record for the month of January 2010.

	Rs.
Stock of raw materials as on 1-1-2010	1000
Stock of raw materials as on 31-1-2010	800
Materials purchased	2500
Direct Wages	1700
Direct expenses	800
Closing Stock of WIP	500
Opening stock of WIP	300
Factory expenses	700
Office and administrative overheads	600
Stock of finished goods as on 1-1-2010	500
Stock of finished goods as on 31-1-2010	400
Selling and administrative expenses	450

Charge profit 20% on cost of sales, prepare a cost sheet for the above period.

Or

- (b) List down the difference between fund flow and cash flow analysis. Briefly explain the uses of cash flow analysis.
14. (a) Briefly explain the objectives and the advantages of carrying out budgetary control.

Or

- (b) The following details are given at 70% production capacity. Prepare a flexible budget for 50% and 80% production capacity. If the output at full capacity is 10000 units, calculate the total cost and cost per unit.

Variable expenses :	Rs.
Materials	1400
Labour	770
Other expenses	210
Fixed expenses :	
Administrative expenses	500
Salaries	300
Depreciation	200
Semi-Variable expenses :	
Selling and distribution expenses (30% fixed)	600
Repairs and maintenance (40% variable)	400

15. (a) Cost figures of ABC ltd are given below,

Cost elements	Variable Cost(% on sales)	Fixed cost Rs.
Direct Material	33	
Direct Labour	22	
Factory overheads	12	15000
Administrative expenses	7	40000
Selling and distribution expenses	1	20000

Expected sales of the year is Rs. 500000. You are required to calculate

- (i) P/V ratio
- (ii) Break even point
- (iii) Profit on the expected sales
- (iv) Expected sales to earn a profit of Rs. 100000
- (v) Margin of safety available

Or

- (b) A scooter manufacturer buys certain component at Rs. 26 per unit. If he manufactures the same product he has to incur a fixed cost of Rs.10000 and variable cost of Rs.20 per unit. When can the manufacturer make on his own or when can he buy from outside. When the requirement is 5000 units will you advise him to make or buy.

Reg. No. :

BACK

LL 1606

M.B.A. DEGREE EXAMINATION, AUGUST 2009.

First Semester

DBA 1606 — ACCOUNTING FOR MANAGEMENT

(Regulation 2007)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. What is a Trial Balance?
2. What is inflation accounting?
3. What is funds flow statement?
4. Draw a cost sheet.
5. Differentiate between prime cost and conversion costs.
6. What do you understand by variance?
7. How do you determine unit costs in a process costing system?
8. Under what conditions should a firm buy a part from outside rather than manufacturing it?
9. What is transfer price?
10. What is budgetary control?

PART B — (5 × 16 = 80 marks)

11. (a) Distinguish between :
 - (i) Capital receipts and revenue receipts.
 - (ii) Capital expenditure and revenue expenditure.
 - (iii) Deferred expenses and prepaid expenses.
- Or
- (b) Discuss the nature and scope of depreciation. What are the different forms of depreciation?

12. (a) From the following information, prepare balance sheet of XYZ Company Limited as on 31st March, 2008.

Particulars	Rs.
Plant and Machinery	90,000
Prepaid expenses	500
Income received	3,000
Bills payable	2,000
Sundry debtors	1,19,000
Bank overdrafts	11,000
Long term loan	99,000
Capital	2,10,000
Land	10,000
Drawings	10,000
Cash in hand	10,000
Furniture and fixtures	30,000
Received income	2,500
Outstanding expenses	3,000
Bills receivable	4,000
Sundry creditors	80,000
Investment in shares	15,000
Closing stock	80,000
Building	80,000
Goodwill	30,000
Net profit	40,000
Cash at bank	5,000

Or

- (b) Define the following :
- Gross Block.
 - Tangible Assets and Intangible Assets
 - Net worth
 - Fixed Assets and Current Assets.

13. (a) Assume that a firm has owner's equity of Rs. 2,00,000. The ratio for the firm are :

Current debt to total debt	0.80
Total debt to owner's equity	1.2
Fixed assets to owner equity	1.2
Total assets turnover	4 times
Inventory turnover	16 times

Complete the following balance sheet, given the information above.

Liabilities	Rs.	Assets	Rs.
Current debt	_____	Cash	_____
Long-term debt	_____	Inventory	_____
Total debt	_____	Total current assets	_____
Owner's equity	_____	Fixed assets	_____
Total capital	_____	Total assets	_____

Or

- (b) The following are the summaries of the Balance sheets of Parveen Ltd., as at 31st December 2007 and 2008.

Liabilities	2007	2008	Assets	2007	2008
	Rs.	Rs.		Rs.	Rs.
Share Capital	2,00,000	2,50,000	Land and Buildings	2,00,000	1,90,000
General Reserve	50,000	60,000	Plant	1,50,000	1,74,000
P and Loss			Stock	1,00,000	74,000
Account	30,500	30,600	Debtors	80,000	64,200
Bank loan			Cash	500	600
(Short-term)	70,000	-	Bank	-	8,000
Creditors	1,50,000	1,35,200			
Provision for taxation	30,000	35,000			
	<u>5,30,500</u>	<u>5,10,800</u>		<u>5,30,500</u>	<u>5,10,800</u>

Additional Information :

- Depreciation was written off plant Rs. 14,000 in 2008.
- Dividend of Rs. 20,000 was paid during 2008.
- Income-tax provision made during the year was Rs. 25,000.
- A piece of land sold during the year at cost.

You are required to prepare a statement showing sources and applications of funds for the year 2008 and a schedule of changes in working capital.

14. (a) A practising Chartered Accountant now spends Rs. 0.90 per kilometre on taxi fares for his client's work. He is considering two other alternatives, the purchase of a new small car or an old bigger car. The estimated cost figures are :

Items	New Small Car	Old Bigger Car
Purchase Price	35,000	20,000
Sale price, after 5 years	19,000	12,000
Repairs and Service (Per annum)	1,000	1,200
Taxes and Insurance (Per annum)	1,700	700
Petrol consumption, per litre	10 km	7 km
Petrol Price Rs. 3.50 per litre		

He estimates that he does 10,000 km annually. Which of the three alternatives will be cheaper? If his practice expands and he has to do 19,000 km per annum, what should be the decision? At how many km per annum will the costs of the two cases break-even and why? Ignore interest and Income-tax.

Or

- (b) "The aim of responsibility accounting is not to place blame. Instead, it is to evaluate performance and provide feedback so that future operations can be improved". Discuss.
15. (a) The information regarding the composition and the weekly wage rates of labour force engaged on a job schedule to be completed in 30 weeks are as follows :

Category of workers	Standard		Actual	
	No. of workers	Weekly rate per worker	No. of workers	Weekly wage rate per worker
Skilled	75	60	70	70
Semi-skilled	45	40	30	50
Unskilled	60	30	80	20

The work was completed in 32 weeks. Calculate various labour variances.

Or

- (b) Discuss the concept of human resource accounting. Explain its importance in the present context.

Reg. No. :

--	--	--	--	--	--	--	--	--	--

Question Paper Code : YY 1506

M.B.A. DEGREE EXAMINATION, FEBRUARY 2010.

First Semester

DBA 1606 — ACCOUNTING FOR MANAGEMENT

(Regulation 2009/2007)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. Define "Management Accounting".
2. Define "Trial Balance".
3. Define "Subsidiary Books".
4. Define "Depreciation".
5. Define "Funds Flow Statement".
6. What is Ratio analysis?
7. Define "Cost Accounting".
8. What is Job costing?
9. Define "Responsibility Accounting".
10. Define "Budget".

PART B — (5 × 16 = 80 marks)

11. (a) Explain the accounting concepts in detail.

Or

Factory overhead is 80 percent of wages and administration overhead 25% of factory cost.

The value of the executed jobs during 2003 was Rs. 4,10,000. Prepare (i) Consolidated completed jobs account showing the profit made or loss incurred on the jobs, and also (ii) consolidated work-in-progress a/c.

Or

- (b) A product passes through the distinct processes to completion. These processes are numbered respectively 1, 2 and 3. During the week-end 15th January 2005, 500 units are produced. The following information is obtained :

Particulars	Process 1	Process 2	Process 3
	Rs.	Rs.	Rs.
Direct materials	3,000	1,500	1,000
Direct labour	2,500	2,000	2,500
Direct expenses	500	100	500

The overhead expenses for the period were Rs. 1,400 appointed to the processes on the basis of wages.

No work-in-progress or process stocks existed at the end of the week. Prepare process accounts.

15. (a) What is a responsibility centre? Explain the types of responsibilities centres.

Or

- (b) ITC Ltd. have prepared the budget for the production of 1 lakh units of the only commodity manufactured by them for a costing period as under :

	Rs. (lakh)
(i) Raw material	2.52
(ii) Direct labour	0.75
(iii) Direct expenses	0.10

Current ratio	2.9 times
Net sales to inventory	4.6 times
Average collection period	90 days
Fixed assets to net worth	53.2%

Proforma Balance sheet.

Net worth	?	Fixed assets	?
Long term debt	?	Cash	?
Current debt	?	Stock	?
		Sundry debtors	?
	_____		_____
	_____		_____

Or

- (b) From the following information relating to Nirma Ltd., prepare funds flow statement.

(In thousands of rupees)

Liabilities	2003	2004	Assets	2003	2004
Share capital	300	400	Cash	30	90
Reserve	100	50	Accounts receivable	105	150
Retained earnings	30	60	Inventories	150	195
Accounts payable	45	135	Fixed assets	190	210
	<u>475</u>	<u>645</u>		<u>475</u>	<u>645</u>

The company issued bonus shares for Rs. 50,000 and for cash Rs. 50,000.

Depreciation written off during the year Rs. 15,000.

14. (a) The following information for the year ended Dec. 31, 2003 is obtained from the books and records of a factory :

Particulars	Completed jobs	Work-in-progress
	Rs.	Rs.
Raw materials supplied from stores	90,000	30,000
Wages	1,00,000	40,000
Chargeable exp.	10,000	4,000
Materials transferred to work-in-progress	2,000	2,000
Materials returned to stores	1,000	—

12. (a) On 1st Jan. 2001, a lease of premises is purchased for four years for Rs. 5,00,000 and it is decided to make provision for the replacement of the lease by means of an insurance policy purchased for an annual premium of Rs. 1,20,000.

Show the necessary ledger accounts for four years, assuming that the renewal of the lease costs Rs. 5,00,000 on 1.1.2005.

Or

- (b) (i) From the following particulars for the years 2000 and 2001, determine the value of closing stock at the end of 2001 :

Particulars	2000	2001
	Rs.	Rs.
Opening stock	20,000	30,000
Purchases	1,20,000	1,90,000
Sales	2,00,000	2,40,000

Uniform rate of gross profit may be assumed.

- (ii) Arun is a wholesaler in textile goods. On January 1, 2002, he had stocks of main varieties A and B valued at Rs. 14,000 and Rs. 24,000 respectively. During the six months ended June 30, 2002, his purchases were Rs. 72,000 and Rs. 1,44,000 respectively. He had taken for personal and family use one book of variety A costing Rs. 6,000. On 30th June his stocks were : A, Rs. 8,000 and B, Rs. 18,000.

Goods were sold by Arun at the retail prices fixed by the manufacturer which yield 24% gross profit on sales.

Determine the total sales figures of Arun for the six months.

13. (a) From the following information of a textile company complete proforma balance sheet if its sales are Rs. 23,00,000.

Sales to net worth	2.3 times
Current debt to net worth	42%
Total debt to net worth	75%

(b) The following are the balances of Mr. Hari as on 30th June, 2004 :

Debit balances	Rs.	Credit balances	Rs.
Cash in hand	540	Sales	98,780
Cash at bank	2,630	Returns outwards	500
Purchases	40,675	Capital	62,000
Returns inwards	680	Sundry creditors	6,300
Wages	8,480	Rent	9,000
Fuel and power	4,730		
Carriage on sales	3,200		
Carriage on purchases	2,040		
Stock (1st July, 2003)	5,760		
Buildings	32,000		
Freehold land	10,000		
Machinery	20,000		
Patents	7,500		
Salaries	15,000		
General expenses	3,000		
Insurance	600		
Drawings	5,245		
Sundry debtors	14,500		

Taking into account the following adjustments prepare the Trading and Profit and Loss Account and Balance sheet as on 30th June, 2004.

- (i) Stock on hand on 30th June, 2004 is Rs. 6,800
- (ii) Machinery is to be depreciated at the rate of 10% and patents at the rate of 20%
- (iii) Salaries for the month of June, 2004 amounting to Rs. 1,500 were unpaid
- (iv) Insurance includes a premium of Rs. 170 on a policy expiring on 31st Dec. 2004.
- (v) Bad debts are Rs. 725
- (vi) Rent receivable Rs. 1,000.

	Rs. (lakh)
(iv) Works overhead (60% fixed)	2.25
(v) Administrative overheads (80% fixed)	0.40
(vi) Selling overhead (50% fixed)	0.20

The actual production during the period was only 60,000 units. Calculate the revised budgeted cost per unit.
