

AVINASHILINGAM INSTITUTE FOR HOME SCIENCE AND HIGHER
EDUCATION FOR WOMEN

Coimbatore – 43

MASTER'S DEGREE EXAMINATION

CLASS: I PG

Major: MBA

Time: 3 hrs

Max Marks: 60

17MBAC02 – ACCOUNTING FOR MANAGERS

PART - A – 10 X ½ = 5

Choose the Correct answer

1. B/D balance means
 - a. Opening balance
 - b. closing balance
 - c. Debit balance
 - d. None of these.
2. Basic objective of maintain accounts is
 - a. To verification
 - b. Auditing
 - c. Profit
 - d. All of these.
3. Financial statements represents
 - a. Trading a/c
 - b. P & L a/c
 - c. Balance Sheet
 - d. All the above
4. Mathematical representation of two figures is known as
 - a. Fund
 - b. Cash flow
 - c. Ratio
 - d. None of these.
5. An accounting approach, in which expected benefits exceed expected cost is classified as
 - a. benefit approach
 - b. cost approach
 - c. cost-benefit approach
 - d. accounting approach
6. Factory lighting is a
 - a. Direct expenses
 - b. Factory overhead
 - c. labor
 - d. None of these
7. At BEP
 - a. Cost is more than Revenue
 - b. Revenue is more than cost
 - c. Cost = Revenue
 - d. None of these.
8. Marginal costs is taken as equal to
 - a) Prime Cost plus all variable overheads
 - b) Variable overheads
 - c) Prime Cost minus all variable overheads
 - d) None of the above
9. Difference between budgeted amounts and actual results is classified as
 - a. standard deviation
 - b. variances
 - c. mean average
 - d. weighted average

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10. A manager, who is responsible for both cost and revenues belongs to department of
- | | |
|------------------|----------------------|
| a. cost center | b. revenue center |
| c. profit center | d. investment center |

PART "B" - 5 X 4 = 20

Answer the following

Answer should not exceed 200 words or one page

- 11.a. Define Accounting; state the classification of accounts;
(OR)
- 11.b. What are components of Final accounts? Explain
- 12.a. Differentiate funds flow statement with Cash flow statement.
(OR)
- 12.b. Explain accounting standards.
- 13.a. What is process costing? Explain with example;
(OR)
- 13.b. Explain different classification of cost.
- 14.a. From the following information relating to Quick Standards Ltd., you are required to find out
- | | | | |
|--|---------------------|-----------|---------------------|
| a) P.V ratio | b) Break-even point | c) Profit | d) Margin of safety |
| e) Calculates the volume of sales to earn profit of Rs. 6,000. | | | |

Total Fixed Costs	Rs. 4,500
Total variable cost	7,500
Total sales	15,000

(OR)

- 14.b. State the managerial uses of CVP analysis.
- 15.a. Draw up a flexible budget for overhead expenses on the basis of the following data and determine the overhead rates at 70%, 80% and 90% plant capacity.

	At 70% capacity	At 80% capacity	At 90% capacity
	Rs.	Rs.	Rs.

Variable Overheads:			
Indirect labour	-	12,000	-
Stores including spares	-	4,000	-
Semi-Variable Overheads:			
Power (30% fixed)	-	20,000	-
Repairs (60% fixed)	-	2,000	-
Fixed Overheads:			
Depreciation	-	11,000	-
Insurance	-	3,000	-
Salaries	-	10,000	-
Total Overheads		62,000	
Estimated direct labour hours		1,24,000 hrs	

(OR)

15.b. Define Reporting. Explain different types of Reports.

PART C - 5 X 7 = 35

Answer the following (Q 20 is compulsory)

Answer should not exceed 600 words or one page

16.a. Explain any 6 accounting concepts in detail.

(OR)

16.b. Explain the purpose for preparation of Ledger.

17.a. Calculate the trend percentages from the following figures of Sudha Enterprises taken 2010 as the base and interpret them.

Year	Sales	Stock	Profit before tax (Rs.in lakhs)
2010	1,881	709	321
2011	2,340	781	435
2012	2,655	816	458

2013	3,021	944	527
2014	3,768	1,154	672

(OR)

17.b. Prepare Trial Balance from the following data.

	Rs.		Rs.
Opening stock	10,000	Loan A/c (Cr)	15,000
Purchases	49,000	Sundry Debtors	42,000
Wages	15,000	Capital	50,000
Rent, Rates	1,000	Provision for Bad debts	2,800
Salaries	8,000	Sales Returns	2,000
General expenses	900	Discount allowed	500
Plant	15,000	Cash at Bank	5,000
Sundry creditors	20,000	Sales	1,28,600
Furniture	8,000	Building	60,000

18.a. Prepare a statement of cost and profit from the following data.

Rs.

Opening stock of raw materials	10,000
Purchases of raw materials	40,000
Materials returned to supplier	2,000
Closing stock of raw material	8,000
Direct wages	20,000

Works on cost 25% on wages; Office on cost 20% on works cost; Selling on cost 10% on works cost; profit 10% on cost.

(OR)

18.b. Explain Role and Responsibilities of Management Accountant.

19.a. The following are the summarized balance sheets of Anand & Balu as on 1.1.08 and 31.12.08.

Liabilities	1-1-08	31-12-08	Assets	1-1-08	31-12-08
	Rs.	Rs.		Rs.	Rs.

Creditors	40,000	44,000	Cash	10,000	7,000
Loan from Mrs. Anand	20,000	--	Debtors	30,000	50,000
Loan from Bank	40,000	50,000	Stock	35,000	30,000
Capital	1,25,000	1,53,000	Machinery at cost	1,00,000	90,000
Provision for depreciation on machinery	25,000	40,000	Land	40,000	50,000
			Building	35,000	60,000
	2,50,000	2,87,000		2,50,000	2,87,000

Machinery costing Rs.10,000 was sold without any loss during the year. Net profit for the year 2008 amounted to Rs.50,000. Prepare Cash Flow Statement.

(OR)

19.b. The labour budget of a company for a week is as under.

20 skilled men at Rs. 5 per hour for 40 hours

40 unskilled men at Rs. 3 per hour for 40 hours

The actual employment was as under:

30 skilled men at Rs. 5 per hour for 40 hours

30 skilled men at Rs. 4 per hour for 40 hours

Calculate labour variance.

20. The following is the Balance Sheet of Rajan Limited as on 31st March 2010

Liabilities	Rs.	Assets	Rs.
Equity share capital	1,00,000	Fixed assets 3,60,000 Less: Depreciation <u>1,00,000</u>	2,60,000
7% preference share capital	20,000	Current assets:	
Reserves and surplus	80,000	Cash	10,000
6% Mortgage debentures	1,40,000	Investments(Govt. securities @ 10% interest	30,000
Current liabilities: Creditors	12,000	Sundry debtors	40,000

Bills payable	20,000		
Outstanding expenses	2,000		
Taxation provision	26,000	Stock	60,000
	4,00,000		4,00,000

Other information:

Rs.

- a. Net sales 6,00,000
- b. Cost of goods sold 5,16,000
- c. Net income before tax 40,000
- d. Net income after tax 20,000

Calculate any ten appropriate ratios from the given information.