

25. A Discuss in detail, the various basis of classification of cost and various types of cost.

OR

B Show the treatment of the following items in the Statement of Cost:

Particulars	Rs.
Raw Materials used	80,000
Direct Wages	60,000
Direct Expenses	25,000
Factory Overhead	45,000
Opening Stock of Work-in-progress (at Works Cost)	8,000
Closing Stock of Work-in-progress (at Works Cost)	6,000

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END SEMESTER EXAMINATION NOV/DEC-2023

First Semester

MBA

CORE – IV ACCOUNTING FOR MANAGERS

Time: Three Hours

Maximum: 75 marks

SECTION A – (15 x 1 = 15 marks)

ANSWER ALL QUESTIONS

- Credit Note issued for sold goods returned by buyer to
 

A Debtors	B Creditors
C Bank	D Consigner
- Statements of assets & liabilities prepared under double entry system is called
 

A Profit & loss statement	B Statement of affairs
C Balance sheet	D Income Statement
- Furniture of book value of ~ 20,000 was sold for ~ 6,000 and new furniture of Rs. 20,000 was purchased. Amount debited towards purchase of new furniture will be:
 

A Rs. 14,000	B Rs. 5,000
C Rs. 29,000	D Rs. 20,000
- Higher the ratio, the more favorable it is, doesn't stand true for
 

A Operating ratio	B Liquidity ratio
C Net profit ratio	D Stock turnover ratio

5. In the balance sheet of Praveen for 2013 and 2014, 4% debentures are Rs 5,00,000 and Rs 4,00,000, respectively. Profit on redemption of debentures in 2013 is nil, while in 2014 it is Rs 4,000. What is the amount of redemption for the purpose of funds flow statement?

- A Rs 96,000                      B Rs 1,04,000  
C Rs 9,00,000                    D Rs 9,04,000

6. When the concept of ratio is defined in respected to the items shown in the financial statements, it is termed as

- A Accounting ratio              B Financial ratio  
C Costing ratio                    D None of the above

7. During trade recession, the goods are sold at

- A Depression price              B Normal price  
C Minimum price                 D None of the above

8. Profit-Volume ratio is also known as

- A Contribution ratio              B Contribution/Sales ratio  
C Marginal Income percentage      D All of the above

9. Determine P/V ratio if Sales is Rs 80,000 and Variable cost is Rs 60,000.

- A 40%                                B 25%  
C 50%                                D None of the above

10. A budget is a plan of action expressed in

- A Financial terms                 B Both

B A Machinery was purchased for Rs. 1,80,000 on 1st July, 2015. Depreciation was charged annually @ 10% on Diminishing Balance Method. 1/4th of this Machinery was sold on 1st October, 2017 for 36,000. Prepare Machinery A/c from the year ended 31st March, 2016 to 2018, if the books are closed on 31st March every year.

24. A Create a Cash Budget for Instant & Co. using details below for the month of July, August and September 2009.

Months	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Expenses (Rs.)
April	40000	22500	10000	2500
May	40000	20000	9000	3000
June	37500	21000	11000	3000
July	45000	25000	12000	3500
August	42500	22500	10000	3000
September	40000	17500	9000	2500

*Additional Information:*

1. On July 01, cash balances are taken Rs.7500/-.
2. Credit purchases are settled after one month. Cash Purchases are 10% of the Total Purchases.
3. Cash sales are 20% of the Total Sales. The Collection period is of 15 days in a month.
4. The monthly expenses include Rent of Rs. 250/-.
5. Payment of Wages every 15 day

**OR**

B Explain the process of Zero-Based Budgeting.

22. A From the following information, prepare cash flow statement:

	Particulars	Note No.	March 31, 2015 (Rs.)	March 31, 2014 (Rs.)
I.	Equity and Liabilities			
	1. Shareholders' Funds		7,00,000	5,00,000
	a) Share capital		4,70,000	2,50,000
	b) Reserve and surplus			
	2. Non – current Liabilities (8% Debentures)		4,00,000	6,00,000
	3) Current Liabilities			
	Trade payables		9,00,000	6,00,000
	<b>Total</b>		<b>24,70,000</b>	<b>19,50,000</b>
II.	Assets			
	1. Non – current assets			
	Fixed assets			
	i) Tangible		7,00,000	5,00,000
	ii) Intangible – Goodwill		1,70,000	2,50,000
	2. Current assets			
	a) Inventories		6,00,000	5,00,000
	b) Trade Receivables		6,00,000	4,00,000
	c) Cash and cash equivalents		4,00,000	3,00,000
	<b>Total</b>		<b>24,70,000</b>	<b>19,50,000</b>

OR

B Explain in detail the different methods used for analysis and interpretation of financial statements.

23. A Distinguish between marginal costing and absorption costing.

OR

C Non-financial terms      D Subjective matter

11. An example of long period budget is

- A R & D budget      B Personnel budget  
C Master budget      D Sales budget

12. Budget is prepared for a

- A Indefinite period      B Definite period  
C Period of one year      D Six months

13. Contract costing is a variant of \_\_\_\_\_ Costing.

- A Job      B Process  
C Unit      D Batch

14. Direct materials + direct labor + direct expenses =

- A Books cost      B Cost of production  
C Cost of sales      D Prime cost

15. Cost allocation bases in activity-based costing should be

- A Cost drivers      B Cost pools  
C Activity centers      D Resources

SECTION B – (2 x 5 = 10 marks)

ANSWER ANY TWO QUESTIONS

16. Prepare Trading Account from the transactions given below:

Opening Stock Rs.22,000	Purchase Return Rs 2,400
Purchase Rs 29,000	Closing Stock Rs 47,700
Sales Return Rs 500	Carriage Inwards 100
Sales 25,400	Depreciation 2,000

17. Explain the process of preparing financial statements.

18. Describe breakeven point analysis in detail.

19. Good Manufacturers Ltd. Purchased on 1st October, 2016 a machinery costing Rs 25,000. A sum of Rs 1,000 was spent upon its installation. Depreciation is charged @ 10 % @ 10 % p.a. on the Diminishing Balance Method. The company closes its books every on 31st March (Ignore GST). What will be the amount of Depreciation for the year ended 31st March 2017, 31st March 2018 and 31st March, 2019.

20. From the following information relating to a manufacturing firm for the month of January, prepare cost statement showing total cost per unit

Production and Sale 10,000 units	
Stock of raw material	Rs.
On 1st January	12,500
On 31st January	10,500
Purchase of raw material	28,000
Direct wages	15,000
Work overheads:	120% of direct wages
Administration overheads	20% of works cost
Selling and distribution overheads	20% of cost of sales
There is no opening and Closing stock of work-in-progress and finished goods	

**SECTION C – (5 x 10 = 50 marks)**

**ANSWER ALL QUESTIONS**

21. A From the following balances, prepare Trading and Profit and Loss Account and Balance Sheet: Closing Stock was valued at Rs.30,000.

	Rs.		Rs.
<b>Debit Balances:</b>		<b>Debit Balances (Contd.):</b>	
Machinery	3,50,000	Rent	45,000
Debtors	2,70,000	Sundry Expenses	20,000
Drawings	90,000	Carriage	15,000
Purchases	9,50,000	<b>Credit Balances:</b>	
Wages	5,00,000	Capital A/C	10,00,000
Bank	1,50,000	Creditors	1,40,000
Opening Stock	2,00,000	Sales	14,50,000

**OR**

B Prepare general journal entries for the following transactions of a business called Pose for Pics in 2016:

**Aug. 1:** Hashim Khan, the owner, invested Rs. 57,500 cash and Rs. 32,500 of photography equipment in the business.

**04:** Paid Rs. 3,000 cash for an insurance policy covering the next 24 months.

**07:** Services are performed and clients are billed for Rs. 10,000.

**13:** Purchased office supplies for Rs. 1,400. Cash paid Rs. 400 and remaining outstanding.

**20:** Received Rs. 2,000 cash in photography fees earned previously.

**24:** The client immediately pays Rs. 15,000 for services to be performed at a later date.

**29:** In addition, the business acquires photography equipment. The purchase price is Rs. 100,000, pays Rs. 25,000 cash and signs a note for the balance.