

2022

1st Semester Examination

MBA

Paper : MBA 104

(Accounting for Managerial Decisions)

Full Marks : 80

Time : Three Hours

*The figures in the margin indicate full marks.
Candidates are required to give their answers
in their own words as far as practicable.*

A. Answer any *eight* questions : 5×8=40

1. What do you mean by the term 'Accounting'?
State the significance of preparing financial statement. 1+4
2. Classify the following under the three types of accounts (Real, Nominal and Personal) :
 - (a) Drawings
 - (b) Cash in hand
 - (c) Capital
 - (d) Machinery
 - (e) Bank Overdraft
 - (f) Depreciation
 - (g) Wages
 - (h) Building
 - (i) Bad debt
 - (j) Carriage inward

P.T.O.

3. The following transactions relate to a business concern of Sneha & Co. for the month of March 2022. Pass the Journal entries.

January 1 : Started business with cash Rs. 5,00,000 and at bank Rs. 3,00,000.

January 2 : Bought goods worth Rs. 3,00,000 from Raja & CO.

January 4 : Purchase return Goods to Raja & Co. of Rs. 5,000.

January 9 : Sold goods to Mr. Khan for Rs. 3,50,000.

January 12 : Return goods from Mr. Khan of Rs. 15,000.

January 12 : Purchase a machine of Rs. 2,00,000 in cash.

January 21 : Salary paid by cash of Rs. 50,000.

January 24 : Goods worth Rs. 2,000 taken by Sneha for personal use.

January 30 : Cash Deposited into bank Rs. 10,000.

4. From the following information, you are required to calculate the depreciation amount and prepare a Machinery account for two years under WDM.

Cost of the Machine as on 1.1.2020	Rs.	1,20,000
Erection Charges	Rs.	10,000
Estimated useful life		10 years
Estimated Scarp Value	Rs.	15,000

5. Why do we prepare a trial balance? Discuss briefly.

6. What do you mean by Capital Expenditure? How is it different from Revenue Expenditure? 2+3
7. The following balances extracted from the books of Das & Co, prepare Trial balance as on 31st January 2023.

Particulars	Rs.	Particulars	Rs.
Cash in hand	4,200	Sales	1,05,000
Cash at Bank	16,800	Purchases	75,000
Bills Receivable	18,000	Carriage Inward	2,700
Bills payable	16,000	Salaries	12,000
Sundry debtors	24,600	Advertisement	2,400
Sundry creditors	32,400	Insurance	1,600
Capital	50,000	Furniture	7,500
Drawings	18,000	Stock	18,600
Office Rent	2,000		

8. What are the elements of cost? Briefly explain.
9. The following is a summary of the receipts and issues of materials in a factory during the month of April 2022.

Date	Particulars	Qty.	Rate per unit
			Rs.
1.4.22	Received	2000	10
5.4.22	Received	300	12
8.4.22	Issued	1200	-
10.4.22	Received	200	14
12.4.22	Issued	1000	-
23.4.22	Received	300	11
31.4.22	Issued	200	-

Compute the closing stock according to FIFO method.

10. State the advantages and disadvantages of the LIFO method of stores ledger.

11. From the following information, calculate economic order quantity for Material-A.

Annual requirement = 48,000 units

Ordering cost = Rs. 9 per order

Carrying cost 15% of per - unit cost

Per unit cost Rs. 4 per unit.

12. From the following balances as on 31st December, 2022 prepare profit and loss account.

Particulars	₹
Gross profit	60,000
Salaries	20,000
Office rent paid	14,000
Advertisement	8,000
Rent received	2,000
Discount received	3,000
Carriage outwards	2,500
Fire insurance premium	6,500

Adjustments :

(i) Rent accrued but not yet received Rs. 500.

- (ii) Fire insurance premium prepaid to the extent of Rs. 1,500.
- (iii) Provide manager's commission at 10% on profit before charging such commission.

B. Answer any *four* questions : 10×4=40

13. From the following balances extracted from the Ledger of Sun Ltd., prepare a Trial Balance as on 31st March, 2022 :

Capital Rs. 7,50,000; Building Rs. 75,000; Plant Rs. 150,000, Stock on 1st April 2021, Rs. 1,25,000; Cash in Hand Rs. 250; Cash at Bank Rs. 57,500; Commission Received Rs. 17,500; Rates, Taxes and Insurance Rs. 3,000; Discount allowed Rs. 5,500; Discount received 4,500; Purchases Return Rs. 5,000; Sundry Creditors Rs. 25,000; Interest Received Rs. 3,000; Sales Rs. 6,25,000; Repairing Charges Rs. 12,500; Book Debts Rs. 1,50,000; General Expenses Rs. 30,000; Rent Rs. 6,250; Wages Rs. 50,000; Purchases Rs. 4,80,000; Furniture Rs. 12,000; Carriage and Freight Rs. 7,500; Sales Return Rs. 9,000; Delivery Van Rs. 50,000; Loan Advanced Rs. 60,000; Travelling Expenses Rs. 5,000; Office Salaries Rs. 62,500; Drawings Rs. 60,000.

P.T.O.

14. Sony's books show the following balances. Prepare his trading and profit and loss A/c for the year ended 31st December, 2022 and a balance sheet on that date.

Particulars	₹
Drawings	5,000
Sundry debtors	60,000
Loan at 6% p.a.	20,000
Capital	1,31,500
Coal, gas and water	10,500
Sales	3,56,500
Returns inward	2,500
Interest on investments	2,550
Purchases	2,56,500
Sundry creditors	40,000
Stock on 1-1-2022	89,700
Travelling expenses	51,250
Interest on loan paid	300
Petty cash	710
Repairs	4,090
Investments	70,000

Adjustments :

- (i) Closing stock was Rs. 1,30,000 on 31st December, 2022.

(ii) Create 5% provision for bad and doubtful debts on sundry debtors.

(iii) Create provision at 2% discount on debtors.

(iv) Interest on loan due for 9 months.

15. Three workers Rani, Roni and Jhimi produced 80, 100 and 120 pieces of mobile phone on a particular day in January, 2023. The time allowed for 10 units of mobile is 1 hour and their hourly rate Rs. 5. Calculate for each of these three workers earning per day and effective rate per day as per (i) Piece Rate method (ii) Halsey Premium Bonus and (iii) Rowan Premium Bonus.

16. The Directors of Dabur India Ltd. require a statement showing the production results of a business for the month of January 2022. The cost accounts give the following information :

Particulars	₹
Opening Stock :	
Raw Materials	25,000
Finished goods	18,000
Closing stock :	
Raw Materials	20,000
Finished goods	15,000
Purchase of Raw Materials	90,000

Sales	2,20,000
Direct Wages	35,000
Factory Wages	2,000
Carriage Inward	2,000
Carriage Outward	1,000
Factory Expenses	4,000
Office Salaries	18,000
Office Expenses	12,000
Factory Rent & Rates	2,500
Depreciation-Machinery	2,500
Bad Debts	2,500

Form the following information, calculate : (a) the cost of materials consumed (b) Prime cost (c) Works cost (d) Cost of Production (e) Cost of Sales (f) Net profit of Dabur India Ltd. which produced and sold 1000 units in January 2022.

17. What do you mean by inventory? Discuss briefly, the ABC system and VED analysis of inventory control techniques with suitable examples. 2+8
18. What is Depreciation? Write down the main difference between single entry and double entry system of accounting. 2+8
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