

**Accounting for Management (MB- 103)**

**MBA**

Max Marks: 60

Time allowed: 3 hrs

**Section: A**

*Note: All questions are compulsory. Each question carries 2 marks. Answer in 2-5 lines.*

Q1. Define

- xi. Human resource accounting
- xii. Accounting as an information system
- xiii. Reducing balance method of depreciation
- xiv. Trend analysis
- xv. Labour variance
- xvi. Zero base budgeting
- xvii. Operating activities
- xviii. Cash Flow Vs Fund Flow statement
- xix. Responsibility accounting
- xx. Going concern concept

(10X2=20)

**Section: B**

*Note: Attempt any four questions out of six given. Each question carries 10 marks.*

Q1. Discuss the various branches of accounting.

Q2. What do you mean by ratio analysis? Discuss various types of ratios.

Q3. How is marginal costing different from absorption costing? Discuss the applications, advantages and disadvantages of Marginal costing.

Q4. Write short notes on the following:

- a) Life cycle costing
- b) Activity Based Costing
- c) Target costing
- d) Kaizen Costing

Q5. The following are the balances of AB Ltd. as on 30<sup>th</sup> June, 2011

|                   | Dr    |                 | Cr    |
|-------------------|-------|-----------------|-------|
| Cash in hand      | 540   | Sales           | 98780 |
| Cash at bank      | 2630  | Return outwards | 500   |
| Purchases account | 40675 | Capital account | 62000 |

|                       |        |                  |        |
|-----------------------|--------|------------------|--------|
| Return inward         | 680    | Sundry creditors | 6300   |
| Wages account         | 8480   | rent             | 9000   |
| Fuel and power        | 4730   |                  |        |
| Carriage on sales     | 3200   |                  |        |
| Carriage on purchases | 2040   |                  |        |
| Stock (1.7.2010)      | 5760   |                  |        |
| Building account      | 32000  |                  |        |
| Freehold land         | 10000  |                  |        |
| Machinery             | 20000  |                  |        |
| Patents               | 7500   |                  |        |
| Salaries              | 15000  |                  |        |
| General expenses      | 3000   |                  |        |
| Insurance             | 600    |                  |        |
| Drawings              | 5245   |                  |        |
| Sundry debtors        | 14500  |                  |        |
|                       | 176580 |                  | 176580 |

Prepare trading and profit and loss account and a balance sheet as on 30<sup>th</sup> June, 2011 after taking into account the following adjustments.

- Stock on hand on 30<sup>th</sup> June, 2011 is Rs. 6800.
- Plant and Machinery is to be depreciated at 10% and patents at 20%.
- Salaries for the month of June 2011 amounting to Rs. 15000 were unpaid.
- Insurance includes a premium of Rs. 170 on a policy expiring on 31<sup>st</sup> December, 2011.
- Further bad debts are Rs. 725
- Rent receivable Rs. 1000.

Q6. The standard cost of a certain chemical mixture is:

40% material A at Rs. 40 per ton

60% material B at Rs. 30 per ton

A standard loss of 10% is expected in production

Actual cost of material used is:

90 tons of material A at a cost of Rs. 42 per ton

160 tons of material B at a cost of Rs. 28 per ton.

Actual output is 230 tons.

Prepare a statement showing the standard cost of output and the variances that emerge.

(4X10=40).