Roll No. ☐☐☐☐☐☐☐☐☐☐☐☐ **Total No. of Pages : 04**

Total No. of Questions : 14

MBA/MBA (IB) (Sem.–1st)

ACCOUNTING FOR MANAGEMENT

Subject Code : MBA-103 (Batch-2012)

Paper ID : [C0103]

Time : 3 Hrs. **Max. Marks : 60**

INSTRUCTION TO CANDIDATES :

1. **SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.**
2. **SECTION-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY and consist of ONE Case Study carrying EIGHT marks.**

SECTION-A

1. Define ABC approach of Costing. Describe the characteristics of ABC.
2. Examine and explain the concept of target costing.
3. What is meant by accounting standards? Explain its objectives.
4. What is absorption costing and differentiate it with marginal costing?
5. The modern manufacturer furnish the following data relating to the manufacture of a standard product during the month of October, 2012.

Raw Materials consumed	Rs. 15000
Direct Labour charges	Rs. 9000
Machine Hours worked	Rs. 900
Machine Hour rate	Rs. 5
Administration overheads	20% on works cost
Selling overheads	Rs. 0.50 per unit
Unit produced	17,100
Units sold	16000 at Rs. 4 per unit

You are required to prepare a cost sheet from the above showing

a) the cost of production per unit

b) profit per unit sold and profit for the period.

6. From the following particulars find out :

(i) Material price variance

(ii) Material usage variance and

(iii) Material cost variance and also explain possible causes of variances

Quantity of materials purchased	3000 units
Value of materials purchased	Rs. 9000
Standard Quantity of material required per tonne of finished products	25 units
Standard rate of material	Rs. 2 per unit
Opening stock of material	Nil
Closing stock of material	500 units
Finished production during the year	80 tonnes

SECTION-B

UNIT - I

7. Differentiate between Cost Accounting and Financial Accounting. Also explain the inter-relationship between Cost Accounting, Financial Accounting & Management Accounting.

8. Discuss the role of an accountant in the modern world with examples.

UNIT - II

9. "*Cash flow statement is a Management Device*". Discuss and explain the objectives and limitations of this statement.

10. Calculate the balance sheet items given in the under mentioned proforma with the help of following ratios :

Total Assets/Net worth	3.5	Sales/Inventory	15
Sales/Fixed Assets	6	Sales/Debtors	18
Sales/Current Assets	8	Current Ratio	2.5

Annual Sales Rs. 25 lakh

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Net worth	....	Fixed Assets	....
Long-term Debt	....	Inventory	....
Current Liabilities	....	Debtors	....
		Liquid Assets	....
Total Liabilities	....	Liquid Assets	....
	....	Total Current Assets	....
		Total Assets	....

UNIT - III

11. Explain the meaning of Business Budget. How does it serve as an instrument of control ?

12. There are two plants manufacturing the same product under one corporate management which decides to merge them.

    Following particulars are available regarding the two plants :

	Plant I	Plant II
Capacity operation	100%	60%
Sales	Rs. 300 Lakhs	Rs. 120 Lakhs
Variable costs	Rs 220 Lakhs	Rs. 90 Lakhs
Fixed Costs	Rs. 40 Lakhs	Rs. 25 Lakhs.

You are required to calculate for the consideration of the Board of Directors :

(a) What would be the capacity of the merged plant for the purpose of break-even ?

(b) What would be the profitability on working at 80% of the merged capacity?

(c) What would be the sales required to give an overall profit of Rs. 65 Lakhs?

UNIT - IV

13. Write a note on Price Level accounting concept bringing out its merits and demerits.

14. Discuss the concept of Human Resource Accounting. Explain its importance in the present context.

The Balance Sheets of S & Co. are given as follows :

Balance Sheets as on Dec. 31, 2007

Liabilities	S & Co. Rs.	K & Co. Rs.
Preference Share Capital	1,20,000	1,60,000
Equity Share Capital	1,50,000	4,00,000
Reserve & Surpluses	14,000	18,000
Long-term Loans	1,15,000	1,30,000
Bills Payable	2,000	–
Sundry Creditors	12,000	4,000
Outstanding Expenses	15,000	6,000
Proposed Dividend	10,000	90,000
	4,38,000	8,08,000
Land and Building	80,000	1,23,000
Plant and Machinery	3,34,000	6,00,000
Temporary Investment	1,000	40,000
Inventories	10,000	25,000
Book-Debts	4,000	8,000
Prepaid Expenses	1,000	2,000
Cash and Blank Balances	8,000	10,000
	4,38,000	8,08,000

You are appointed as manager of the company. Compare & give your comment with the financial position of the two companies with the help of common size Balance Sheet.