

Roll No.

Total No. of Questions : 07]

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Paper ID [C0103]

(Please fill this Paper ID in OMR Sheet)

MBA (Sem. - 1st)

ACCOUNTING FOR MANAGEMENT (MB - 103)

Time : 03 Hours

Maximum Marks : 60

Instruction to Candidates:

- 1) Section - A is **Compulsory**.
- 2) Attempt any **Four** questions from Section - B.

Section - A

Q1)

(10 × 2 = 20)

- a) Explain the convention of conservatism.
- b) Differentiate between Cost and Management Accounting.
- c) What are Intangible Assets?
- d) What is the objective of preparing Cash Flow Statement?
- e) Draw a chart explaining the Break Even Point.
- f) What are the pre-requisites of setting up a Responsibility Accounting system?
- g) How would you calculate Material Usage variance?
- h) What is a "Limiting factor"?
- i) What is Kaizan Costing?
- j) Explain the objective of Social Accounting.

Section - B

(4 × 10 = 40)

- Q2) "With the rapid changing business environment, the role of an accounting has undergone a tremendous change". Discuss the statement.

Q3) A trader prepared the following Trial balance as on 31st March 2006.

Particulars	Debit(Rs.)	Credit(Rs.)
Purchases and Sales	22,860	41,970
Stock as on 1 st April 2005	5,160	
Capital Account		7,200
Bank overdraft		4,350
Cash	90	
Discounts	1,440	930
Return inwards	810	
Return outwards		570
Carriage outwards	2,160	
Rent and Insurance	1,740	
Provision for bad and doubtful debts		660
Fixtures and fittings	1,200	
Delivery Van	2,100	
Debtors and Creditors	11,910	6,060
Drawings	2,880	
Wages and salaries	8,940	
General office expenses	450	
Total	61,740	61,740

Adjustments :

- Stock as on 31st March 2006 Rs.4,290.
- Wages and salaries on March 31,2006 Rs.210; office expenses Rs.20.
- Rent prepaid Rs.180.
- Increase the provision for bad and doubtful debts by Rs.150 to Rs.810.
- Provide for depreciation as follows : Fixtures and fittings Rs.120; delivery van Rs.300.

Prepare Trading and Profit and Loss Account for the year ended on 31st March 2006 and Balance Sheet as on that date.

Q4) What is the objective of financial analysis? Discuss Common Size Financial Statements, Trend analysis and Funds Flow Statement as tools of financial analysis.

- Q5)** The costs per unit of three products A, B and C of a company are given below :

	Product A	Product B	Product C
Direct material	Rs.20	Rs.16	Rs.18
Direct labour	12	14	12
Variable expenses	8	10	6
Fixed expenses	6	6	4
Total Cost	46	46	40
Profit	18	14	12
Selling price	64	60	52
No. of units produced	10,000	5,000	8,000

Production arrangements are such that if one product is given up the production of the other products can be raised by 50%. The directors propose that C should be given up because the profit from the product is the lowest. Present suitable analysis of the data indicating whether the proposal should be accepted.

- Q6)** Discuss Budgetary Control as a technique of cost control. How does it differ from Standard Costing?
- Q7)** Write notes on any two of the following :
- Activity based Costing.
 - Responsibility Accounting.
 - Price Level Accounting.

