

Register Number:

M.B.A DEGREE EXAMINATIONS: NOV/DEC 2010

First Trimester

MASTER OF BUSINESS ADMINISTRATION

MBA504: Accounting for Managers I

Time: Three Hours

Maximum Marks: 100

Answer All the Questions: -

PART A (1 x 20 = 20 Marks)

1. Case Study

On 31.12.2009, the following trial balance was extracted from the books of Mr. Mani

Particulars	Debit Amount Rs.	Credit Amount Rs.
Capital		50,000
Plant & Machinery	80,000	
Sales		1,77,000
Purchases	60,000	
Returns	1,000	750
Opening stock	30,000	
Discount	350	800
Bank charges	75	
Debtors	45,000	
Creditors		25,000
Salaries	6,800	
Wages	10,000	
Carriage in	750	
Carriage out	1,200	
Bad debts provision		525
Rent, rates, and taxes	10,000	
Advertisement	2,000	
Cash in hand	900	
Cash at bank	6,000	
Total	2,54,075	2,54,075

You are required to prepare the Trading, Profit and Loss account for the year ended 31.12.2009 and the Balance Sheet as on that date. The following adjustments are required:

- (i) Closing stock Rs.35,000.
- (ii) Depreciation on Plant & Machinery @ 6%.
- (iii) Bad debts provision to be adjusted to Rs.500.
- (vi) Interest on capital to be allowed @ 5% p.a.
- (v) 2% of the profits is to be carried to reserve fund.

PART B (10 x 2= 20 Marks)

2. Define Accounting.
3. Explain accounting cycle.
4. Mention any 2 objectives of financial statements?
5. What is Human Resources Accounting?
6. Distinguish between depreciation, depletion and amortization
7. What is Economic Order Quantity?
8. Define cost accounting.
9. What are the elements of cost?
10. What is meant by Job costing?
11. What is Target costing?

PART C (4x 15= 60 Marks)

12. a) Discuss briefly the concepts and conventions of Accounting.

(OR)

- b) Briefly explain the salient features of any ten Indian Accounting Standards.

13. a) Explain any six methods of providing depreciation.

(OR)

- b) Draw a stores ledger card recording the following transactions under FIFO method.

2008 July 1	Opening stock 2,000 units @ Rs.10 each.
5	Received 1,000 units @ Rs.11 each.
6	Issued 500 units
10	Received 5,000 units @ Rs.12 each.
12	Received back 50 units out of the issue made on July 6.
14	Issued 600 units
18	Returned to supplier 100 units out of goods received on July 5.
19	Received back 100 units out of the issue made on July 14.
20	Issued 150 units.

25	Received 500 units @ Rs.14 each.
28	Issued 300 units.

The stock verification report reveals that there was a shortage of 10 units on July 18 and another shortage of 15 units on July 26.

14. a) Prepare a statement of cost and profit from the following data.

Opening stock of raw materials	Rs.10,000
Purchase of raw materials	40,000
Materials returned to supplier	2,000
Closing stock of raw materials	8,000
Direct wages	20,000

Works overheads 25% on wages, Office overheads 20% on works cost, Selling overheads 10% on works cost, profit 10% on cost.

(OR)

b) Explain the different methods of costing.

15. a) Explain the steps involved in implementing the Activity Based Costing.

(OR)

b) A product passes through 3 distinct processes to completion. During March 2010, 500 units were produced. From the following information, prepare process accounts showing the total cost as well as cost per unit.

Particulars	Process 1 Rs.	Process 2 Rs.	Process 3 Rs.
Materials	10,000	7,000	3,000
Labour	2,500	2,000	2,500
Direct expenses: fuel	500	1,000	500
Direct expenses: carriage	1,500	500	1,000
Works overheads	2,000	2,500	2,000

Indirect expenses Rs.14,000 should be apportioned on the basis of wages.
