

M.B.A. DEGREE EXAMINATIONS: NOVEMBER / DECEMBER – 2008

First Trimester

P07BA114 ACCOUNTING FOR MANAGERS – I**Time: Three Hours****Maximum Marks: 100****Answer ALL Questions:-****PART A (1x 20 = 20 Marks)**

1. You are presented with the following information by Vijay Company related to the first week of December, 2005:

The transactions in connection with the materials are as follows:

Days	Receipts		Issues
	Units	Rate per unit	(Units)
1 st	40	15.00	--
2 nd	20	16.50	--
3 rd	--	--	30
4 th	50	17.10	--
5 th	--	--	20
6 th	--	--	40

Calculate the cost of materials issued under

- FIFO Method;
- LIFO Method; and
- Weighted Average Method of issue of materials and value of closing stock under the methods aforesaid.

PART B (10x 2 = 20 Marks)

- Define Financial Accounting.
- What do you mean by Inflation Accounting?
- Discuss the meaning of Human Resource Accounting.
- What is meant by chronological order?
- State the errors which are disclosed by a trial balance.
- Why do you create provision for bad debts?
- What do you understand by depreciation?
- Write short note on LCM rule.
- Define cost centre.
- Name four such industries where job costing is employed.

PART C (4x15 = 60 Marks)

12. (a) Describe briefly different concepts and conventions of accounting.

(OR)

12. (b) From the following Trail balance of Prime Ltd., Prepare Trading, profit and loss account balance sheet as on 31.12.2007.

Particulars	Debit		Particulars	Credit	
	Rs.	P.		Rs.	P.
Stock	70,000		Capital	2,00,000	
Purchase	2,40,000		Sales	4,00,000	
Cash in Hand	2,400		S.Crs	48,000	
Salaries	37,600		Bills Payable	44,000	
Wages ;	32,000		Return outwards	18,000	
Rent and Tax	20,000				
S.Drs	1,00,000				
Bills Receivable	40,000				
Plant & Machinery	1,20,000				
Furniture	30,000				
Return inwards	8,000				
Carriage inwards	5,000				
Income Tax	5,000				
TOTAL	7,10,000		TOTAL	7,10,000	

Additional Information's:

- (i) Closing stock was Rs.50,000.
- (ii) Outstanding wages Rs.5,000
- (iii) Goods withdrawn for personal use Rs.2,000
- (iv) Depreciation on plant and machinery @10% and on furniture @ 5%
- (v) Write off Bad debts for Rs.1,000

13. (a) A firm purchased on 1st Jan 2006 a small plant for Rs.10,000. On 1st July in the same year additional plant was purchased costing Rs.5,000. On 1st July 2007 the plant purchased on 1st 2006 having become obsolete, is sold off for Rs.4,000. Depreciat on is to be provided at 10% p.a. on diminishing balance basis. Show plant and machinery account.

(OR)

13. (b) Explain the various methods of pricing the inventory.

14. (a) Discuss various basis of classification of cost and various types of costs.

(OR)

14. (b) Prepare a cost sheet from the following data to find out profit and cost per unit during the month of May 2007:-

Raw Material Consumed	Rs.2,00,000/-
Direct Wages	Rs.80,000/-
Factory Overheads	Rs.20,000/-
Direct Expenses	Rs.50,000/-
Office Overheads	10% on Factory Cost
Selling Overheads	Rs.5/- per unit
Units produced	4000 units
Selling price	Rs.120/- per unit
Unit Sold	3600 units

15. (a) Describe briefly the procedure of recording costs under job order cost system.

(OR)

15. (b) Neo Pharma processes a product through three distinct stages the product of one process being passed on to the next process and so on to the finished product intact. Details of the cost incurred in each process are given below:

	Process A	Process B	Process C
	Rs.	Rs.	Rs.
Raw Materials	1,150	1,050	700
Direct Wages	500	600	700

The overhead expenses for the period amounted to Rs.3,600 and is to be distributed to the processes on the basis of direct wages.

There were no stocks in any of the processes either at the beginning or at the close of the period.

Assuming the output was 1,000 kilos show the process cost of A, B and C indicating also the cost per kilo of each element of cost and the output in each process.
