

**M.B.A. DEGREE EXAMINATIONS: DECEMBER 2009**

First Trimester

**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:-**

The stock of material A is at 01.04.2003 is 500 units at Re 1 per unit. The following purchases and issues of this item were made subsequently.

Purchase			Issues	
Date	Units	Rate Rs.	Date	Units
2003				
April 6	100	1.10	April 9	500
April 20	700	1.20	April 22	500
April 27	400	1.30	April 30	500
May 13	1000	1.40	May 15	500
May 20	500	1.50	May 22	500
June 17	400	1.60	June 18	500
June 28	600	1.70	June 28	500

Prepare a statement, showing how the value of the above issue should be arrived at under the LIFO and FIFO methods.

**PART B (10 x 2 = 20 Marks)**

2. What are the functions of accounting?
3. Write a short note on Indian Accounting Standards committee.
4. What is meant by 'Journal' and state its significance?
5. What is meant by Human Resource Accounting?
6. Journalize the following transactions:  
Goods distributed by way of free samples for Rs. 1,000.
7. What is meant by straight line method of depreciation?

8. What is meant by opportunity cost?
9. Define the term cost centre.
10. What is meant equivalent production unit?
11. Write short note in target costing.

**PART C (4 x 15 = 60 Marks)**

12. (a) Define the term accounting and also explain different concepts and conventions of accounting.

**(OR)**

- (b) From the following Trial Balance of XYZ co., prepare Trading, Profit and Loss account and Balance Sheet as on 31.12.2008.

	Rs.	Rs.
Cash in Hand	2,400	
Purchases	2,40,000	
Stock as on 1-1-08	70,000	
Debtors	1,00,000	
Plant	1,20,000	
Furniture	30,000	
Bills receivable	40,000	
Rent and Taxes	20,000	
Wages	32,000	
Salaries	37,600	
Capital		2,00,000
Bills payable		44,000
Creditors		48,000
Sales		4,00,000
	6,92,000	6,92,000

Adjustments:

- (i) Closing inventory as on 31.12.2008 Rs.50,000.
- (ii) Outstanding wages Rs.5,000.
- (iii) Goods withdrawn for personal use Rs.2,000.
- (iv) Depreciation on Plant @ 10% and on Furniture @ 5%.

13. (a) Explain briefly different methods of inventory pricing techniques followed in Indian Industry.

(OR)

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

14. (a) Define the term Cost. Also explain different classification of cost.

(OR)

(b) Mr. Vijay furnishes the following data relating to the manufacture of a standard product during the month of April, 2006:

	Rs.
Raw materials consumed	60,000
Direct labour charges	36,000
Machine hours worked	3,600
Machine hour rate	Rs.5
Administrative overheads	20% on works cost
Selling overheads	Re.1/- per unit
Units produced	10,000
Unit sold	9,000 at Rs.20 per unit

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

- (i) Cost per Unit
- (ii) Profit per unit sold and profit for the period.

15 (a) What are the main features of job order costing? Give a Proforma cost sheet under this cost system.

(OR)

(b) During a particular month 2,000 units at a cost of Rs 60,000 were introduced in Process 1. The normal loss was estimated at 5 Per cent of output. At the end of the month, 1,400 units had been produced and transferred to the next process, 460 units were partially complete and 140 units had been scrapped.

It was estimated that in respect to the various factors of production, the partially complete units had reached the following stages of production:

Material	100% completed
Labour	50% completed
Overhead	50% completed

Additional costs incurred during the month were:

Material	Rs 17,000
Direct wages	Rs 33,400
Production overhead	Rs 16,700

The units scrapped realized Rs.10 each. You are required to prepare the Process Accounts and other statement which you consider necessary for the preparation of the Process Account.

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