

M.B.A. DEGREE EXAMINATIONS: NOVEMBER 2009

First Trimester

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

1. At the beginning of October 1974, Quality Brush Company had in stock 10,000 brushes valued at Rs. 10 each.

Further purchases were made during the month as follows:

7 th October	4,000 Brushes @ Rs 12.50
14 th October	6,000 Brushes @ Rs 15.00
24 th October	8,000 Brushes @ Rs 16.50

Issues to shop floor were as follows:

16 th October	16,000 Brushes
28 th October	10,000 Brushes

You are required:

- (a) to Prepare stores ledger card from the month of October on the assumption that materials were issued on the first-in-first-out principle; and
 (b) to state the closing stock at the end of October if issues are priced by the weighted average method.

PART B (10 x 2 = 20 Marks)

2. Explain Accounting cycle.
3. What is meant by going concern concept?
4. Write – Short note on inflation accounting.
5. State the importance of Human Resource Accounting.
6. What are final accounts?
7. Journalize the following transactions:
 Withdrew cash from business for personal use Rs.2000/-

8. Define the term cost also state its objectives.
9. What is meant by process costing?
10. What is meant by activity based costing?
11. What is meant by Target costing?

PART C (4 x 15 = 60 Marks)

- 12 (a) What is meant by accounting? Also explain different classification and golden rules of accountancy.

(OR)

- (b) From the Following Trial Balance of Vijay Ltd., you are requested to prepare Trading Profit and Loss account and Balance Sheet as on 31st Dec 2008.

Particulars	Debit		Particulars	Cred Rs.
	Rs.	P.		
Opening Stock	30,000		Capital	70,000
Purchase	27,000		Purchase outwards	2,000
Sales inwards	3,000		Sales	40,000
Carriage inwards	2,000		S.Crs	10,000
Carriage outwards	1,000		Bills Payable	2,000
Drawings	5,000		Interest	1,000
Salary	4,000			
Wages	3,000			
General Expenses	2,000			
Income Tax	1,000			
S.Drs	10,000			
Bills Receivable	2,000			
Buildings	10,000			
Machinery	25,000			
TOTAL	1,25,000		TOTAL	1,25,000

(b) During a particular month 2,000 units at a cost of Rs 60,000 were introduced into 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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