



MBA DEGREE EXAMINATIONS: JAN 2023

(Regulation 2022)

First Semester

MASTER OF BUSINESS ADMINISTRATION AND MBA - PROJECT MANAGEMENT

P21MBC1102: ACCOUNTING FOR MANAGEMENT

P22MPF1502: ACCOUNTING FOR MANAGEMENT

COURSE OUTCOMES

CO1: Outline the basic concepts of accounting for (project) management

CO2: Interpret financial statements for decision making

CO3: Construct different types of cost and budget statements.

Time: Two Hours

Maximum Marks: 50

PART A (5Q x 10 Marks = 50 Marks)

- 1 a) What do you understand by the term “Accounting Concepts”? Explain the Accounting Concepts in detail. CO1 [K5]

(OR)

- 1 b) Financial accounting information is primarily used by the external users whereas management accounting information is exclusively used by the internal users – Evaluate the genuineness of the above statement CO1 [K5]

- 2 a) From the following information given in trial balance and additional information you are asked to construct a trading account, Profit and Loss account and Balance Sheet as on 31-03-2021.

Particulars	Debit Amount in Rs.	Credit Amount in Rs
Capital		20,000
Sundry Debtors	5400	
Drawings	1800	
Machinery	7000	
Sundry Creditors		2800
Wages	10000	
Purchases	19000	
Opening Stock	4000	
Bank Balance	3000	
Carriage charges	300	
Salaries	400	
Rent and Taxes	900	
Sales		29000
	51,800	51,800

CO1 [K6]

Additional Information

1. Closing Stock Rs.1200
2. Outstanding rent and taxes Rs.100
3. Charge depreciation on machinery at 10%
4. Wages prepaid Rs.400

(OR)

- 2 b) What are the different types of financial statements? Justify the advantages and limitations of each one of them? CO1 [K5]

- 3 a) From the following data, determine net profit and cash from operations of Eureka ltd, for the period ended 31-03-2022

Opening stock	10,000
Purchases	25000
Sales	30,000
Closing Stock	15,000
Expenses (paid in cash)	3,000

CO2 [K5]

(OR)

- 3 b) The following are the ratios relating to the activities of National Traders Limited:

Stock Velocity: 6 months

Creditors Velocity: 2 months

Debtors Velocity: 3 months

Gross Profit ratio: 25%

Gross profit for the year ended 31-03-2021 amounts to Rs.400,000. Closing stock of the year is Rs.10,000 above the opening stock. Bills Receivable amounts to Rs.25000 and bills payable amounts to Rs.10,000. Estimate the following:

CO2 [K5]

1. Sales
2. Purchases
3. Sundry Creditors
4. Sundry Debtors
5. Closing Stock

- 4 a) In a factory 10,000 units of product A were manufactured in the month of July 2021. From the following figures, construct a cost sheet showing per unit:

Particulars	Amount in Rs.
Opening stock of raw materials	2,500
Purchases of raw materials	27,500
closing stock of raw materials	5,000
Direct wages	12,500
Factory Overhead	20,000
Administration overhead	10000

CO3 [K6]

(OR)

- 4 b) From the following data you are required to estimate,
- P/V Ratio
 - Break even sales with the help of P/V Ratio
 - Sales required to earn a profit of Rs.450,000

Fixed expenses = Rs.90,000

Variable cost per unit

Direct material = Rs.5

Direct Labor = Rs. 2

Direct Overheads = 100% of direct labor

Selling price per unit = Rs.12

CO3 [K5]

- 5 a) What is meant by the term budgeting? explain the type of budgets normally prepared by a big industrial undertaking of your choice?

CO3 [K5]

(OR)

- 5 b) The expenses to produce 5000 units in a factory are given as follows:

Particulars	Cost per unit in Rs.
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs.50,000)	10
Administrative overheads (5% variable)	10
Selling expenses (20% fixed)	6
Distribution expenses (10% fixed)	5
Total cost of sales per unit	116

CO3 [K5]

You are required to estimate a budget to produce 7000 units.
