



MBA DEGREE EXAMINATIONS: APRIL / MAY 2023

(Regulation 2021)

First Semester

MASTER OF BUSINESS ADMINISTRATION - PROJECT MANAGEMENT

P22MPF1502: Accounting for Management

COURSE OUTCOMES

CO1: Outline the basic concepts of accounting for management/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) Outline and explain the different Accounting Concepts and Conventions. CO1 [K2]

(OR)

- 1 b) Formulate Income Statement and Balance Sheet of M/s XYZ for the ended 31st March 2021. CO1 [K3]

Closing stock was valued at ₹.2,00,000

Details	Amount ₹	Details	Amount ₹
Capital	360000	Salaries	60000
Machinery	70000	General Expenses	20000
Sales	820000	Rent	50000
Purchases	400000	Purchase return	5000
Stock Return	10000	Debtors	300000
Stock as on 1st April 2017	100000	Cash	40000
Drawing	40000	Carriage outwards	20000
Wages	100000	Advertising	20000
Carriage Inwards	5000	Creditors	50000

COL [K_L]

- 2 a) Following is the Profit and Loss account to Electro Matrix Ltd., for the year ended 31-December-2021 CO2 [K5]

To Opening Stock	100000	By Sales	5,60,000
To Purchases	3,50,000	By Closing Stock	1,00,000
To Wages	9,000		
To Gross Profit C/d	2,01,000		
	6,60,000		6,60,000
To Administrative Expenses	20,000	By Gross Profit b/d	2,01,000
To Selling and Distribution Expenses	89,000	By interest on investments	10,000
To non-operating expenses	30,000	By Profit on sale of Investments	8000
To Net Profit	80,000		
	2,19,000		2,19,000

You are required to determine:

1. Gross Profit Ratio
2. Net Profit Ratio
3. Operating Ratio
4. Operating Profit Ratio
5. Administrative Expenses Ratio

(OR)

- 2 b) What are the advantages and limitations of Ratio analysis? CO2 [K5]

- 3 a) The following information relates to the manufacture of a product during the month of Jan'21 CO3 [K6]

Direct raw materials	1,60,000
Direct wages	90,000
Machine hours worked	6000
Machine hours rate	6
Office overhead 15% of work cost	
Selling overhead per unit	2
Units produced	5000 units
Units sold 5000 units @ ₹80 each	

Construct a cost sheet and show a) cost per unit and b) Profit for the period.

(OR)

- 3 b) From the following information estimate CO2 [K5]

1. P/V Ratio **(2 Marks)**
2. Break Even Point **(2 Marks)**
3. Margin of safety **(3 Marks)**
4. If the selling price is reduced to ₹90, by how much is the margin of safety reduced? **(3 Marks)**

Total Sales	3,60,000
Selling Price per unit	100
Variable cost per unit	50
Fixed cost	1,00,000

- 4 a) With the following data for a 60% activity determine & recommend a budget for production at 80% capacity CO3 [K5]

Production at 60% capacity 300 units
Materials ₹100 per unit
Labour ₹40 per unit
Expenses ₹10 per unit
Factory Expenses ₹40,000 (40% fixed)
Administrative Expenses ₹30,000 (60% fixed)

(OR)

- 4 b) A company is expecting to have ₹25000 cash in hand on 01st April 2022 and it requires you to prepare an estimate of cash position in respect of three months from April to June 2022 from the information given below: CO2 [K5]

Additional Information

- a. Period of credit allowed by suppliers - two months
- b. 25% of sale is for cash and the period of credit allowed to customer for credit sale is one month
- c. Delay in payment of wages and expenses one month
- d. Income tax ₹25,000 is to be paid in June 2022

Details	Sales	Purchase	Wages	Expenses
February	70,000	40,000	8,000	6,000
March	80,000	50,000	8,000	7,000
April	92,000	52,000	9,000	7,000
May	1,00,000	60,000	10,000	8,000
June	1,20,000	55,000	12,000	9,000

- 5 a) (i) Explain Zero based budgeting. (2 Marks) CO3 [K5]
(ii) Distinguish between Traditional and Zero Based Budgeting. (4 Marks)
(iii) Explain the advantages and disadvantages of Zero based Budgeting (4 Marks)

(OR)

5 b)

Explain the following

CO3 [K5]

1. Budgetary control (2 Marks)
2. Variances (2 Marks)
3. Direct Material Cost Variance, Direct Material Price variance and Direct Material Usage variance with formula (6 Marks)
