



**MBA DEGREE EXAMINATIONS: NOV / DEC 2024**

(Regulation 2021)

First Semester

**MASTER OF BUSINESS ADMINISTRATION**

P21MBC1102: Accounting for Management

**COURSE OUTCOMES**

**CO1:** Outline the basic concepts of accounting for 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) Compare and Contrast Financial, Cost and Management Accounting. CO1 [K<sub>5</sub>]  
(OR)
1. b) Explain about the double entry system and its significance in accounting. CO1 [K<sub>5</sub>]
2. a) Explain the purpose and components of a Balance Sheet. CO2 [K<sub>5</sub>]  
(OR)
2. b) ABC Manufacturing has the following data for the year ending December 31, 2023: CO2 [K<sub>6</sub>]  
Sales revenue: ₹500,000  
Cost of goods sold (COGS): ₹300,000  
Operating expenses:  
Selling expenses: ₹50,000  
Administrative expenses: ₹30,000  
Interest expense: ₹10,000  
Income tax rate: 20%  
Construct an income statement for ABC Manufacturing.

3. a) Examine the relationship between solvency, liquidity and profitability. CO2 [K<sub>5</sub>]  
(OR)
3. b) Given: CO2 [K<sub>5</sub>]  
Current Ratio = 2.6  
Liquid Ratio = 1.4  
Working Capital = ₹100,000  
Determine 1. Current Assets, 2. Current Liabilities, 3. Liquid Assets and 4. Stock.
4. a) Write a detailed note on the behaviour of costs in relation to changes in the volume of output. CO3 [K<sub>5</sub>]  
(OR)
4. b) DEF Corp. manufactures electronic devices and has provided the following data for the quarter ending March 31, 2023: CO3 [K<sub>5</sub>]  
Direct materials purchased: ₹200,000  
Direct labor: ₹150,000  
Factory overheads: ₹100,000  
Opening stock of raw materials: ₹50,000  
Closing stock of raw materials: ₹40,000  
Opening stock of work in progress: ₹20,000  
Closing stock of work in progress: ₹30,000  
Opening stock of finished goods: ₹60,000  
Closing stock of finished goods: ₹50,000  
Selling and distribution expenses: ₹35,000  
Administrative expenses: ₹25,000  
Prepare a cost sheet for DEF Corp. for the quarter ending March 31, 2023.
5. a) Explain the advantages and limitations of marginal costing? CO3 [K<sub>5</sub>]  
(OR)
5. b) A company is expecting to have Rs. 25,000 cash in hand on 1st April 2023 and it requires you to prepare an estimate of cash position in respect of three months from April to June 2023, from the information given below: CO3 [K<sub>5</sub>]

	Sales Rs.	Purchase Rs.	Wages Rs.	Expenses Rs.
Feb	70,000	40,000	8000	6000

March	80000	50,000	8,000	7,000
April	92000	52,000	9,000	7000
May	1,00,000	60,000	10000	8,000
June	1.20,000	55,000	12,000	9,000

Additional Information:

- (a) Period of credit allowed by suppliers - two months.
- (b) 25 % of sales are for cash and the period of credit allowed to customers for credit sale is one month.
- (c) Delay in payment of wages and expenses one month.
- (d) Income Tax Rs. 25,000 is to be paid in June 2023.

