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PG
MBA Semester- I Examination, 2024
MASTER OF BUSINESS ADMINISTRATION
PAPER: MBA 104
(ACCOUNTING FOR MANAGERIAL DECISIONS)

Full Marks: 80 **Time: 3 Hours**

The figures in the right-hand margin indicate full marks.
Candidates are required to give their answers in their own words as far as practicable.

Group-A

Answer any **EIGHT** of the following questions: 5×8=40

1. Journalize the following transactions in the book of J & J Ltd. as on 31st March, 2025
   - March 1: Started business with cash of Rs. 50,000, Furniture of Rs. 25,000, and at Bank of Rs. 20,000
   - March 7: Purchased goods from Mr. Bhatta of Rs. 50,000
   - March 10: Sold goods for cash Rs. 1,50,000
   - March 15: Paid to Mr. Bhatta for full settlement and received a discount of Rs. 1,000
   - March 23: Goods sold of Rs. 25,000 to M/s Arbind & Co.
   - March 25: Paid for postage Rs. 1,200
   - March 30: Received a cheque for Rs. 24,500 from M/s Arbind & Co. for full settlement
   - March 31: Deposited Rs. 7,000 into bank
2. Discuss briefly the utility and significance of financial statements for the various stakeholders interested in a business concern.
3. Differentiate between financial and Management Accounting.
4. Compute the earnings of workers A and B under Straight Piece Rate system and Taylor's Differential Piece Rate system from the following particulars:-
   - Normal rate per hour – Rs. 180
   - Standard time per unit – 20 seconds

   Differentials to be applied are:
   - 80% of the piece rate below the standard
   - 120% of the piece rate at or above standard

   A produced 1,300 units and B produced 1,500 units per day of 8 hours.
5. Define Trial Balance. What are the various methods which are used in preparing trial balance? 2+3

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6. From the following information you are required to calculate depreciation rate and prepare a Machinery account for the first three years
   - Cost of the Machine as on 01.01.2021 Rs. 1,45,000
   - Erection Charges Rs. 5,000
   - Estimated useful life 8 years
   - Estimated Scrap Value Rs. 10,000
7. Write a short note on ABC Analysis, FSN Analysis in inventory control.
8. Describe any two methods of depreciation. 2.5+2.5
9. Differentiate between absorption and marginal costing?
10. The following information is extracted from Lalit and Co 3+2
    - Selling Price Rs. 15
    - Variable Cost/unit Rs. 9
    - Fixed Cost Rs. 60,000

    Compute:
    i. P/V (Profit and Volume Ratio) and BEP (Break-Even Point)
    ii. If the company sells 12,000 units, then its profit and margin of safety.
11. Compute the B.E.P. in amount and in units from the following information:
    - Sales ₹25 per unit
    - Variable Cost ₹15 per unit
    - Fixed Cost ₹30,000
    - Produced Units 1,200 units
12. What are the merits of standard costing?

Group-B

Answer any **FOUR** of the following questions: 10×4=40

13. Discuss the various accounting principles in details.
14. Prepare a Flexible budget for overheads on the basis of the following data. Ascertain the buget at 50% and 70% capacity.

Variable overheads:	At 60% capacity (Rs)
Indirect Material	6,000
Labour	18,000
Semi-variable overheads:	
Electricity: (40% Fixed & 60% variable)	30,000
Repairs: (80% fixed & 20% Variable)	3,000
Fixed overheads:	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total overheads	93,000
Estimated direct labour hours	1,86,000

15. The following particulars have been obtained from the cost records of Mimul and Co. for the year 2024. You are requiring to prepare statement of cost of Mimul and Co.

Particulars	Amount (₹)
Materials used in manufacturing	1,10,000
Materials used in primary packing	20,000
Materials used in selling the product	3,000
Materials used in the factory	1,500
Productive Wages	30,000
Factory Supervision expenses	4,000
Materials used for office	2,500
Chargeable expenses	10,000
Indirect expenses – factory	2,000
Administration expenses	3,000
Depreciation on Factory Building	3,500
Depreciation on Office Building	1,500
Freight on materials purchased	5,000
Depreciation on Delivery Van	1,000
Salary paid to the driver of Delivery Van	3,600
Advertisement	2,000
Bad Debt	1,500

Assume that all products manufactured during the year have been sold to earn a profit of 15% on selling price.

16. Compute the total earnings and effective rate of earnings per hour of three operators under Halsey Premium Plan and Rowan System, from the following particulars. The standard time fixed for producing an article is 40 hours. The rate of wages is Rs. 25/- per hour.

    The actual time taken by three operators are as follows:
    A. 36 hours.
    B. 34 hours.
    C. 38 hours.
17. Kapil Manufacturing Concern furnishes the following information:
    - Standard: Material for 70 kg finished products: 100 kg
      Price of material Rs. 1 per kg
    - Actual: Output 2,10,000 kg
      Material used 2,80,000 kg
      Cost of Materials Rs. 2,52,000

    Compute:
    (a) Material usage variance,
    (b) Material price variance,
    (c) Material cost variance.

18. Prepare Trading and Profit & Loss Account for the year ended 31st March, 2025 and Balance Sheet as on 31st March, 2025.

Trial Balance

As on 31st March,2025

Particulars	Debit (Rs.)	Credit (Rs.)
Land	15,00,000	
Plant and Machinery	10,00,000	
Capital		20,00,000
Sales		25,30,000
Creditors		40,000
Opening Stock	40,000	
Purchases	13,57,000	
Wages	15,000	
Salary	55,000	
Petty Expenses	2,000	
Carriage Outward	1,000	
Cash	2,32,000	
Commission		18,000
Furniture	30,000	
Investments	1,20,000	
Goodwill	1,00,000	
Equipment's	1,00,000	
Debtor	20,000	
Carriage Inward	10,000	
Trade Expenses	10,000	
Discount Received		4,000

Adjustments:

1. Closing stock Rs. 25,000
2. Appreciate land by 6% p.a.
3. Depreciate:
   - Machinery @ 4% p.a.
   - Equipment @ 2% p.a.
   - Furniture @ 3% p.a.
4. Write off bad debt @ 3% p.a.
   - Provision for doubtful debt @ 4% p.a.
5. Outstanding salary Rs. 1,800
6. Advance commission received Rs. 1,000