



QP CODE: 24800186

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# M.B.A. DEGREE EXAMINATION, DECEMBER 2023

### **First Semester**

Faculty of Management Science

## Core - MB010104 - ACCOUNTING FOR MANAGEMENT

2019 Admission Onwards BD8B32A6

Time: 3 Hours Maximum Marks: 60

#### Part A

Answer any five questions. Each question carries 2 marks.

- 1. What is petty cash book?
- 2. Discuss the advantages of inflation accounting?
- 3. What are the types of common size statement?
- 4. What do you mean by ratio analysis.
- 5. What is meant by Shareholders' funds?
- 6. Define 'Marginal Costing'. Mention any two characteristics of marginal costing.
- 7. What is computerized accounting system?

 $(5\times2 = 10 \text{ Marks})$ 

#### Part B

Answer any **five** questions. Each question carries **6** marks.

- 8. Discuss management accounting as an effective tool of financial control.
- 9. Discuss the objectives and importance of IFRS.
- 10. Discuss the importance of Comparative Statement Analysis. What are the objectives of comparative income statement and comparative balance sheet?
- 11. Explain the meaning and significance of the following ratios:
  - (i) Operating Ratio (ii) Liquidity Ratio (iii) Stock turnover Ratio
- 12. What is Dupont Analysis? Explain the components of 'Dupont equation'.



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- 13. Describe the organisation for the preparation of budgets. Bring out clearly the role of key factor in budgeting.
- 14. "A cash budget is the plan of the receipts and payments of cash for the budget period, drawn up so that the balance can be forecast at regular intervals" Justify this statement.

 $(5\times6 = 30 \text{ Marks})$ 

Part C

Answer any **two** questions. Each question carries **10** marks.

Question number 17 is compulsory.

15. Prepare Trading and Profit and Loss A/c for the year ended 31<sup>st</sup> December 2023 and a Balance Sheet as on that date from the following Trial Balance.

Particulars	Debit Balance (Rs.)	Credit Balance (Rs.)
Capital		46000
Drawings	3000	
Purchases and Sales	90000	130000
Returns	2000	3000
Cash in hand	4000	
Bank overdraft		6000
Debtors and Creditors	40000	22000
Bad debts	1000	
Scooter	8000	
Interest	3500	
Commission		4000
Furniture	5000	
Opening stock	22000	
Advertising	2000	
Taxes and Insurance	3500	
Machinery	20000	
Discount allowed	1000	
General expenses	2500	
Wages	3500	

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The following adjustments are to be made:

(1)Stock on 31<sup>st</sup> December 2023 is Rs.34000.(2)Wages outstanding is Rs.500 (3)Insurance Rs.300 is prepaid. (4)Commission receivable amounts to Rs.1000





- (5) Rent due amounts to Rs.3000
- (6) Advertisement unexpired amount to Rs.500.
- 16. From the following Balance Sheet of PK Ltd. for the year ending 31.12.2022 and 31.12.2023, prepare cash flow statement.

Liabilities	2022 Rs.	2023 Rs.	Assets	2022 Rs.	2023 Rs.
Equity share capital	300000	400000	Goodwill	115000	90000
Redeemable pref. share capital	150000	100000	Land &Building	200000	170000
General Reserve	40000	70000	Plant	80000	200000
Profit&Loss A/c	30000	48000	Debtors	160000	200000
Proposed dividend	42000	50000	Stock	77000	109000
Creditors	55000	83000	Bills receivable	20000	30000
Bills payable	20000	16000	Cash in hand	15000	10000
Provision for taxation	40000	50000	Cash at bank	10000	8000
	677000	817000		677000	817000

The following information is also provided:

- 1. Depreciation of Rs.20000 on land and building and Rs.10000 on plant has been charged in 2023.
- 2. Interim dividend of Rs.20000 has been paid in 2023.
- 3. Income tax Rs.35000 has been paid during 2023.

### **Compulsory Question**

- 17. Following data are extracted from the books of Kishore for the year 2007 Calculate:
  - (a) Prime cost
  - (b) Works Cost
  - (c) Cost of Production
  - (d) Cost of sales
  - (e) Net profit.





	Rs.
Opening stock of raw materials	25,000
Closing stock of raw materials	40,000
Purchase of raw materials	85,000
Carriage inwards	5,000
Wages Direct	75,000
Wages Indirect	10,000
Other direct charges	15,000
Rent & Rates- Factory	5,000
Rent & Rates- office	500
Indirect consumption of materials	500
Depreciation plant	1,500
Depreciation office furniture	100
Salary office	2,500
Salary salesman	2,000
Other office expenses	900
Other factory expenses	5,700
Managing Director's Remuneration	12,000
Other selling expenses	1,000
Travelling expenses	1,100
Carriage outwards	1,000
Sales	2,50,000
Advance income tax paid	15,000
Advertisement	2,000

Managing Director's remuneration is allocated as Rs.4,000 to the factory, Rs.2,000 to the office and Rs.6,000 to the selling department.

 $(2 \times 10 = 20 \text{ Marks})$ 

