PGDBM/MBA 1ST SEMESTER EXAMINATION, 2012

Paper - III :Accounting for Manager

Full marks : 80 *Time : 3 hrs.*

Q.1. Give very brief answer in about 2/3 sentences or as directed. 2 X 5=10

(a) Calculate the stock Turnover Ratio from the following information,

Cash Sales:	Rs. 50,000
Credit Sales:	Rs. 3,60,000
Opening Stock:	Rs. 20,000
Closing Stock:	Rs. 20,000
Return Inward:	Rs. 10,000

Or

Calculate the Direct Material Cost variance from the data given below.

Standard output	1200 units
Actual Output	700 units
Standard Quantity per Unit	2 kg
Actual Quantity Used	800 kg
Standard Rate per unit	Rs. 20/-per kg
Actual Rate per unit	Rs.15 per kg.

(b) What is meant by overhead in cost & Management Accounting?

(c) Define 'Inventory'

Or

Define ' Marginal Cost'.

(d) Give the meaning of 'Budgetary Control'.

Or

What is CVP Analysis?

(e) P/V Ratio is 40% ; sales Rs. 2,00,000; Fixed Cost Rs.40,000. Find out the amount of profit or loss.

Or

Mention any two advantages of Variance Analysis.

Q.2. Give brief answer in about 100 words or as directed. 4x3=12

(a) Define the three fundamental Accounting Assumptions mentioned in Accounting Standard (AS)1.

Or

What is ' Trial Balance'? What are its objectives?

(b) Explain the significance of

(i) Earnings per share and

(ii) Debtors' Velocity

Or

Explain the significance of the following cost concepts in decision making

(i) Shut Down Cost.

(ii) Opportunity Cost.

(c) Explain the mechanism of FIFO method of inventory valuation

Or

Explain the mechanism of 'Master Budget'.

Q.3. Answer as Directed 6x3=18

(a) Explain the 'Dual Aspect Concept' of Accounting with examples.

Or

Journalise the following transactions relating to M/S Dadhara Exterprise, Give Proper naration also,

(i) Started business with cash Rs. 20,000

(ii) Purchased Furniture from Godrej Company worth Rs. 5, 000.

(iii) Purchased goods for cash Rs. 10,000.

(iv) Paid carrying charges Rs. 1,000.

(b) Explain the following accounting Principles.

(i) Conservatism

(ii) Matching concept

(iii) Consistency

Or

Explain the following term.

(i) Accounting Cycle

(ii) Journal

(iii) Real Accounts.

(c) Consider the following data.

(i) Opening stock of Raw Materials:
2,000 units; rate Rs. 10 per unit.

(ii) Closing stock of Raw Materials:
2,500 units; Rate 14 per unit.

(iii) Market price of Raw Materials on closing date:
Rs.15 per unit.

(iv) Purchases of Raw Materials:
Cash: 5,000 units @ Rs. 13 per unit Credit
16,000 units @ Rs. 14 per unit.

(v) Value of Returns out woard: Rs. 2,000
You are required to calculate value of Raw Materials Consumed.

Or

Consider the following data:

(i) Sales:	Rs. 80,000
(ii) Cost of Goods Sold:	Rs. 29,000
(iii) Administrative Expenses:	Rs. 15,000
(iv) Non- cash expenditures	Rs. 5,000
(v) Non- operative Expenses	Rs. 2,000
(vi) Non- operative Incomes	Rs. 1,000

You are required to calculate funds from operation,

Q.4. Prepare Trading and Profit & Loss Account of M/S Rohan for the year ended on 31-3-12 from the following information. 10

	Rs.
Opening Stock	5,000
Purchases	60,000
Purchase Returns	2,000
Closing stock	8,000
Sales	1,40,000
Direct expenses	10,000
Employee expenses	20,000
Office Expenses	8,000
Travelling expenses	3,000
Depreciation	4,000
Bad debts	1,000
Provision for Bad debts to be made	3,000
Debtors	12,000
Furnitures,	40,000
Miscelleneous incomes	7,000

Or

Prepare a Draft Balance sheet from the following information. 10

Current Ratio	2.5
Liquid Ratio	1.5
Net working capital	Rs. 6,00,000
Stock turnover Ratio	5

P.T.O.

Rate of Gross Profit (on sales)	20%
Fixed Assets to Networth	0.80
Turnover Ratio to Net Fixed Assets	2
Collection Period (average)	2.4 months
Long terns Deposits	Rs. 3,50,000

Q.5. What are the advantages of Cash Flow Statement? Describe the steps involved in preparing the Cash Flow Statement. 10

Or

Write short notes on any two 5+5=10

(i) Cost Accounting

(ii) Need for Management Accounting

(iii) Cost Sheet

Q.6. What is meant by ' Inventory' in cost accounting? What are the objectives of inventory valuation? 2+8=10

Or

Calculate Efficiency Ratio, Activity Ratio and Capacity Ratio from the following Figures. 4+3+3=10

Q.7. Elaborate the benefits of Standard Costing as Management Tool. 10

Or

Consider the following budget

(i) Annual production: 2,50,00 units

(ii) Direct Materials Rs, 3.00 per unit

(iii) Direct wages: Rs. 7.00 per unit

(iv) Direct Expenses: Rs. 1.50 per unit

(v) Variable indirect overheads: .050 per unit

(vi) Fixed Overheads: Rs. 5,00,000

(vii) Selling Price: Rs. 15.00 per unit

You are required to determine: 3+3+4=10

(i) Break-even sales volume,

(ii) Profit at budgeted sales valume

(iii) Sales Volume to get a profit of Rs. 4,00,000

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