Krishna Kanta Handiqui State Open University

MBA/PGDBM 1st Sem. Examination, 2016

Paper : 03

Accounting for Managers

Time : 3 Hrs. *Full Marks : 80*

1. Answer *any five* from the following questions. 2×5 = 10
(each within 50 words)
   (a) What is meant by cash flow statement ?
   (b) What is meant by direct material ?
   (c) What is absorption costing ?
   (d) What is standard costing ?
   (e) What is marginal costing ?
   (f) What is direct material cost variance ?

2. Answer *any three* from the following questions. 4×3 = 12
(each within 150 words)
   (a) Discuss the cost concept.
   (b) What is management accounting ?
   (c) What is sales budget ?
   (d) What is meant by inventory ?

3. Answer *any three* from the following questions. 6×3 = 18
   (a) Journalise the following transactions
      i) Business started with Rs. 5,00,000
      ii) Goods purchased for Rs. 1,000 from Mr. X on credit
      iii) Cash paid to Mr. X Rs. 500
      iv) Salary paid Rs. 5,000
      v) Cash deposited into bank Rs. 50,000
      vi) Commission received Rs. 1,000

(b) From the following information, calculate current ratio —

Particulars	Amount (Rs.)
Sundry debtors	5,000
Sundry creditors	3,000
Bills receivable	2,000
Bills payable	1,000
Closing stock	3,000
Outstanding salary	1,000

(c) Discuss the limitations of cash flow statement.

(d) ABC Pvt. Ltd. purchased a machine of Rs. 1,00,000 on 1st January, 2013. The company charged depreciation on the machine @ 10% p.a. under the diminishing balance method. You are required to prepare machinery account for 3 years.

4. Answer *any four* from the following questions. 10×4 = 40

(a) Discuss the importance of accounting. Prepare a trial balance of XY company from the following informations — 5+5

Particulars	Amount (Rs)
Sundry debtors	10,000
Bank balance	20,000
Capital	50,000
Furniture	10,000
Cash balance	10,000
Sales	20,000
Machinery	20,000
Sundry creditors	10,000
Bills receivable	10,000

(b) What is debt equity ratio ? Discuss the importance of ratio analysis. 3+7

(c) Discuss the advantages and disadvantages of FIFO method. Discuss the importance of budgetary control. 5+5

(d) Discuss the importance of management accounting. What is break-even analysis ? 5+5

(e) From the following information of Yellow Company, you are required to prepare trading and profit and loss account for the year ended 31-12-2014.

Particulars	Amount (Rs.)
Opening stock	50,000
Sales	90,000
Purchases	20,000
Wages	3,000
Carriage inward	2,000
Rent	1,500
Salary	2,000
Commission payable	2,000
Advertisement expenses	5,000

Additional information :

i) Salary outstanding Rs. 1,000

ii) Prepaid Rent Rs. 500

iii) Closing stock Rs. 10,000.

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