[18–HRGPKAC–M1S (B)]

MBA/PGDBM 1st Semester Exam., 2018 (Back)

ACCOUNTING FOR MANAGERS

[MBA/PGDBM 03]

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. Answer any *five* questions from the following (each within *50* words) : 2×5=10

(a) Define accounting.

(b) Define depreciation.

(c) Define standard cost.

(d) Define fixed budget.

(e) Define marginal cost.

(f) Define absorption cost.

2. Answer any *three* questions from the following (each within *150* words) : 4×3=12

(a) Define trial balance.

(b) Calculate acid test ratio from the following information :

Particulars	*Amount* ₹
Sundry debtors	10,000
Sundry creditors	14,000
Bills receivable	5,000
Bills payable	4,000
Inventory	5,000
Outstanding expenses	2,000
Prepaid expenses	2,000
Cash balance	15,000
Bank balance	10,000
Long-term bank loan	20,000

(c) Define cost sheet.

(d) Define funds flow statement.

3. Answer any *three* questions from the following (each within *250* words) : 6×3=18

(a) Discuss the advantages and disadvantages of FIFO method of inventory valuation.

(b) What is cash flow statement? Discuss its limitations. 3+3=6

(c) Discuss the importance of ratio analysis.

(d) Discuss fixed instalment method of charging depreciation.

4. Answer any *four* questions from the following (each within *500* words) : 10×4=40

(a) Discuss the 'going concern concept' of accounting. Discuss the importance of accounting information. 5+5=10

(b) Enter the following transactions in Journal Book and Ledger Book :

(i) On 1.11.2017 goods worth ₹ 15,000 purchased from Mr. *X* on credit

(ii) On 5.11.2017 ₹ 5,000 paid as salary to the employee

(iii) On 10.11.2017 ₹ 5,000 paid to Mr. *X*

(iv) Goods amounting to ₹ 10,000 sold on 12.11.2017

(v) Purchased furniture of ₹ 1,000 on 15.11.2017

(c) Discuss the importance and limitations of management accounting. 5+5=10

(d) Discuss budget as a management control technique.

(e) From the following information, prepare Trading and Profit & Loss Account in the books of Rama Associates for the year ended on 31st March, 2017 :

Trial Balance of Rama Associates as on 31.03.2017

Dr.			*Cr.*
Particulars	*Amount* (₹)	Particulars	*Amount* (₹)
Opening Stock	50,000	Sales	4,00,000
Purchases	1,00,000	Creditors	50,000
Wages	15,000	Bills Payable	20,000
Salary	25,000	Interest Received	8,000
Carriage Inward	10,000	Miscellaneous Receipts	5,000
Carriage Outward	5,000	Bank Loan	17,000
Insurance	20,000		
Advertisement	20,000		
Bad Debt	5,000		
Machinery	1,00,000		
Debtors	50,000		
Land	1,00,000		
	5,00,000		5,00,000

Additional Information :

(i) Closing stock valued at ₹ 20,000

(ii) Outstanding wages ₹ 2,000

(iii) Prepaid insurance ₹ 1,000

(iv) Provide further bad debt ₹ 2,000

★ ★ ★