03N (ACM)

[18-HRGPKAC-MD1S (N)]

MBA 1st Semester (New) Exam., 2018 (W)

ACCOUNTING FOR MANAGERS

[PGBA S1-03/PGCM S1-03]

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. *(a)* Answer the following questions : 1×8=8

(i) State the meaning of margin of safety.

(ii) Define financial statement.

(iii) Which accounting standard deals with method of preparation of cash flow statement?

(iv) State the meaning of variances in standard costing.

(v) Define prime cost.

(vi) State the meaning of break-even point in cost volume profit analysis.

(vii) Which is the most widely used computer software in India for computerised accounting?

(viii) What is the main objective of standard costing and budgetary control?

(b) Choose the correct answer of the following : 1×4=4

(i) Which of the following is an important component of financial statement?

1. Balance Sheet
2. Income Statement
3. Cash Flow Statement
4. All of the above

(ii) Which of the following is not an objective of accounting?

1. Maintaining accounting records
2. Increase the wealth of its shareholders
3. Ascertainment of profit or loss
4. Communication of information

(iii) Which of the following is not a subsidiary books of accounts?

1. Purchase Day Book
2. Sales Day Book
3. Journal Proper
4. Ledger

(iv) Correct formula for calculating acid-test ratio is

1. $\frac{\text{Current Assets} - \text{Stock} - \text{Prepaid Expenses}}{\text{Current Liabilities}}$
2. $\frac{\text{Current Assets}}{\text{Current Liabilities}}$
3. $\frac{\text{Current Assets} - \text{Stock}}{\text{Current Liabilities}}$
4. $\frac{\text{Current Assets} - \text{Prepaid Expenses}}{\text{Current Liabilities}}$

(c) Fill in the blanks 1×4=4

(i) According to matching concept, the expenses of a particular period should be matched with the _____ of that period.

(ii) A conceptual knowledge of the _____ as well as SEBI Act, 1999 and SEBI rules and regulations is necessary for preparation and presentation of annual accounts of companies.

(iii) _____ is a book of original entry in which transactions are originally recorded in chronological order.

(iv) Purchase Day Book records only _____ purchases of goods.

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

(a) State two features of double-entry system of Book-keeping.

(b) Define budgetary control.

(c) State the meaning of zero-based budgeting.

(d) State the various techniques of costing.

(e) What is meant by suspense account?

(f) What is meant by adjusting entries?

3. Answer any *four* from the following questions : 3×4=12

(a) State two merits and demerits of management accounting.

(b) What is meant by balanced scorecard?

(c) Discuss the limitations of accounting.

(d) State the differences between Standard Costing and Estimated Costing.

(e) A firm is selling 500 units of a single product at a price of ₹ 50 per unit. The variable cost per unit of the product is ₹ 18 and fixed cost is ₹ 7,500. Calculate the P/V ratio and BEP in units and sales revenue.

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

(a) Write a brief note on International Financial Reporting Standards (IFRS).

(b) Discuss the five categories under the modern approach of classification of accounts.

(c) Discuss the procedure for balancing an account.

(d) State the differences between cash flow statement and fund flow statement.

5. Answer any *three* from the following questions : 8×3=24

(a) Discuss the various types of Cashbook.

(b) Discuss any six components of a Balance Sheet.

(c) Discuss the various activity ratios calculated from the financial statements of business organisations.

(d) From the following information, prepare a Trading Account of Ram and Shyam Co. as on 31.03.2018 :

Particulars	₹
Stock on 01.04.2017	10,000
Carriage on Sales	2,000
Purchases	80,000
Discount	2,000
Sales	1,20,000
Purchase Returns	2,000
Octroi Duty	5,000
Returns Inward	3,000
Productive Wages	15,000
Freight	2,000
Excise Duty	1,000
Coal, Gas and Water	1,500
Salaries	5,000
Trade Expenses	1,000

Additional information :

(i) Stock on 31.03.2018—₹ 15,000

(ii) Outstanding wages—₹ 500

(iii) Goods taken by Ram for personal use—₹ 1,000

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