

Roll No.

56005

**MBA 2 Year (1st Semester) (N. S.) Batch
2011-12 Examination, December, 2013**

ACCOUNTING FOR MANAGERS

Paper : MBA-105

Time : Three Hours]

[Maximum Marks : 80

Before answering the question, candidates should ensure that they have been supplied the correct and complete question paper. No complain in this regard, will be entertained after examination.

Note : Attempt *five* questions in all, Section 'A' is *compulsory*. Attempt *Four* questions from Section 'B' selecting *one* question from each Unit. All questions carry equal marks.

SECTION – A

- 1. (a) What are causes of depreciation ? 2 × 8
- (b) Give *two* errors disclosed by Trial Balance.
- (c) What do you mean by financial statements.
- (d) Give *two* sources of funds.
- (e) Give *two* essentials of budgeting.

- (f) Give the significance of Management Accounting.
- (g) What are elements of cost ?
- (h) What is activity based costing ?

SECTION – B

UNIT – I

- 2. What is Trial Balance ? Discuss the errors not disclosed by Trial Balance. 16

- 3. On April 1, 2006, Siva Ltd. agreed to purchase a machine on hire-purchase basis from Dev Ltd. The cash price of the machine was Rs. 6,00,000. The company was required to pay Rs. 3,00,000 down and the balance in three annual installments of Rs. 1,00,000 each plus interest @ 12% per annum. First installment was paid on March 31, 2007. Show Machine Account for all the three years in the books of Siva Ltd. Which depreciated machine @ 15% per annum using diminishing balance method. Assume the books of accounts are closed every year on March 31. 16

UNIT – II

- 4. What is the purpose of preparing a Cash Flow Statement ? How is it prepared ? Explain and illustrate. 16

5. You have the following Income statement and Balance Sheet of a company :

Income Statement

	Rs.
Gross Sales	1,000
Cost of goods sold	<u>600</u>
Gross Profit	400
Depreciation	20
Interest Payment	<u>10</u>
Profit before Taxes	370
Taxes	<u>185</u>
Profit After Taxes	<u>185</u>

Balance Sheet

	Rs.		Rs.
Liabilities	100	Cash	100
Equity	<u>200</u>	Plant & Equipment	<u>200</u>
	<u>300</u>		<u>300</u>

From this data, find out the following ratios :

- (i) Gross Profit Margin
- (ii) Return on Assets
- (iii) Return on Equity
- (iv) Average Interest Rate 16

UNIT – III

6. What do you understand by cost sheet ? How is it prepared ? Explain and illustrate. 16
7. Write note on the following : 8 + 8
- (a) Activity based costing
- (b) Difference between FIFO & LIFO method.

UNIT – IV

8. Define the term Budget, Budgeting and Budgetary control. Explain various types of budgets that are drawn up in a manufacturing unit. 16
9. Calculate labour variances from the following data : 16

	Standard	Actual
Output in Units	2,000	2,500
Number of Workers employed	50	60
Number of working days in a month	20	22
Average wage per man per month	280	330