

Roll No.

56005

**MBA 2Yr. 1st Semester (New
Scheme) Batch 2011-12
Examination-December, 2014**

ACCOUNTING FOR MANAGERS

Paper : MBA-105

Time : 3 hours

Max. Marks : 80

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

Note : Section 'A' is **compulsory**. Attempt other **four** questions selecting **one** question from each unit in Section 'B'. All questions carry equal marks.

SECTION - A

1. (a) Define the term 'financial accounting'.
- (b) What is straight line method of depreciations ?
- (c) What is liquidity ratio ?

- (d) What are financial statements ?
- (e) Difference between fixed and variable cost.
- (f) Difference between FIFO and LIFO method.
- (g) Define the concept of budgeting.
- (h) Difference between fixed and flexible budget. 2×8

SECTION - B

UNIT - I

- 2. What is meant by generally accepted authority principles. Explain the significance of the following. 16
 - (a) Going concern principle
 - (b) Matching principle

- 3. Rashmi Sourabh Ltd. purchased on 1st Jan, 1991 a plant for Rs. 80,000. On 1st April, 1992, it purchased additional plant costing Rs. 48,000. On 1st Sept. 1993, the plant purchased on 1st Jan 1991 was sold off for Rs. 42,000 and on the same date fresh plant was purchased at the cost of Rs. 75,000.

Depreciation is provided at 10% per annum on diminishing balance method every year. Accounts are closed each year on 31st December.

Prepare Plant Account. 16

UNIT - II

4. What do you mean by cash flow statement ? How is it prepared ? Discuss its main uses.

16

5. Sales	Rs. 12,60,000
Cost of Sales	Rs. 9,60,000
Net Profit	Rs. 1,80,000
Fixed Assets	Rs. 7,50,000
Current Assets	Rs. 7,80,000
Current Liabilities	Rs. 3,00,000

From the above information, calculate :

$$4 \times 4 = 16$$

- (i) Gross Profit Ratio
- (ii) Net Profit Ratio
- (iii) Working Capital Turnover Ratio
- (iv) Fixed Assets Turnover Ratio

UNIT - III

6. 'Cost may be classified in a variety of ways according to their nature and the information needs of management. Explain. 16
7. Write notes on the following : 8+8
- (a) LIFO and FIFO method of inventory valuation
 - (b) Activity based costing

UNIT - IV

8. What do you mean by management accounting? Discuss the nature and scope of management accounting. 16
9. (a) Discuss the significance of Budgetary control as a tool of management accounting. 7
- (b) For producing a commodity, the standard quality of material was fixed at 10 Kgs and standard price was fixed at Rs. 2 per kg. The actual quantity that was consumed was 12 kgs and the actual price was Rs. 1.90 per kg.
- Calculate 9
- (i) Material usage variance
 - (ii) Material Price variance
 - (iii) Material cost-variance