

MBA 1st Semester Examinations, 2020

Accounting For Managers

Paper: MBA-1504

(New Syllabus)

Time: 3 Hours

Full Marks: 80

The figures in the margin indicate full marks. Candidates are required to give their answers in their own words as far as practicable

GROUP A

Answer any six questions.

5×6=30

1. State any five external users of accounting information and briefly discuss their information needs.
2. State how the following items would appear in the cash flow statement of the manufacturing company:
 - a) Payment for raw materials
 - b) Proceeds from sale of investments
 - c) Payment of salaries
 - d) Repayment of term loans
 - e) Purchase of machinery
3. Explain the rule of debit and credit using Accounting Equation Approach.
4. What do you mean by Periodicity Concept? State three implications of this concept.
5. What do you mean by Reserves? Distinguish between Capital Reserves and Revenue Reserves.
6. 'Costs are classified into three categories of the basis of behavior'. Comment.
7. Write a short note on Life cycle costing.
8. What is meant by Cost Unit? State the cost units applicable for the following industries
(a) Automobile (b) Television (c) Hotel.

GROUP B

Answer any five questions.

10×5=50

9. (a) What is Cash Book? Why is it called the 'journalised ledger'?
- (b) What do you mean by 'Convergence of IFRS'?

10. (a) What do you mean by 'Inventory Valuation'? Discuss its significance.
 (b) Explain the different costs that are considered for inventory valuation.
11. (a) What do you mean by Depreciation? State the objectives of providing depreciation.
 (b) Distinguish between Straight-line method and Diminishing balance method of calculating depreciation.
12. (a) Define Job Costing? What are its features?
 (b) Differentiate between Job Costing and Process Costing.
13. (a) What do you mean by Margin of Safety? How is it reflected in a Break-even chart?
 (b) Linc Co. Ltd. Wants to introduce a new variety of pen, the details of which are as under:
- | | | | |
|--------------------|--------------|------------------------|-------------|
| Selling Price p.u. | Rs. 70; | Fixed Cost (per annum) | Rs. 80,000; |
| Capacity | 2,000 units; | Variable Cost p.u. | Rs. 20 |
- (i) Find the Break Even Point;
 (ii) Find the number of pens to be sold to earn a profit of Rs. 30,000;
 (iii) If the company can sell more pens per year incurring an additional fixed cost of Rs. 2,000, what should be the Selling Price to maintain the profit per pen as at (ii) above?
14. Orange Ltd. Has 3 production departments – Manufacturing, Assembly & Finishing and 2 service departments – Power & Administration. The following data are estimated for the year 2020-21-22:

Department	Factory Overhead apportioned (Rs.)	Services rendered by	
		Power	Administration
Manufacturing	60,000	40%	35%
Assembly	75,000	20%	30%
Finishing	60,000	20%	20%
Power	24,000	-	15%
Administration	30,000	20%	-

Determine the total overheads of the production departments using Repeated Distribution and Simultaneous Equation method.

15. What is Budgetary Control? Explain the relation between Budgetary Control and Standard Costing.

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GROUP A***Answer any six questions.*****5×6=30**

1. State any five external users of accounting information and briefly discuss their information needs.
2. State how the following items would appear in the cash flow statement of the manufacturing company:

a) Payment for raw materials	d) Repayment of term loans
b) Proceeds from sale of investments	e) Purchase of machinery
c) Payment of salaries	
3. Explain the rule of debit and credit using Accounting Equation Approach.
4. What do you mean by Periodicity Concept? State three implications of this concept.
5. What do you mean by Reserves? Distinguish between Capital Reserves and Revenue Reserves.
6. 'Costs are classified into three categories of the basis of behavior'. Comment.
7. Write a short note on Life cycle costing.
8. What is meant by Cost Unit? State the cost units applicable for the following industries
(a) Automobile (b) Television (c) Hotel.

GROUP B***Answer any five questions.*****10×5=50**

9. (a) What is Cash Book? Why is it called the 'journalised ledger'?
- (b) What do you mean by 'Convergence of IFRS'?

10. (a) What do you mean by 'Inventory Valuation'? Discuss its significance.
 (b) Explain the different costs that are considered for inventory valuation.
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 (b) Distinguish between Straight-line method and Diminishing balance method of calculating depreciation.
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 (b) Differentiate between Job Costing and Process Costing.
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- (iv) Find the Break Even Point;
 (v) Find the number of pens to be sold to earn a profit of Rs. 30,000;
 (vi) If the company can sell more pens per year incurring an additional fixed cost of Rs. 2,000, what should be the Selling Price to maintain the profit per pen as at (ii) above?
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