

MBA(D) (1st Semester) Examination, July 2018 (DDE)

[Session: January 2017 – December 2018]

Subject: Accounting for Managers

Paper: MBD-104

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. What do you mean by Accounting Concepts? Distinguish between Accounting Concepts and Conventions.
2. What do you mean by Provision? State any three provisions on assets and three provisions on liabilities.
3. Distinguish between Cash basis and Accrual basis of accounting.
4. Pass journal entries for the following two transactions applying the Accounting Equation approach:
 - (i) Goods purchased in cash worth Rs. 48,00,000;
 - (ii) Wages & Salaries paid Rs. 16,40,000.
5. Distinguish between financial accounting and cost accounting.
6. What do you mean by contract costing? Discuss its features.
7. Briefly discuss the behavioural classification of cost.
8. Briefly discuss importance of human resource accounting.

Group B

Answer any *five* questions

10 × 5 = 50

9. (a) What do you mean by Corporate Financial Statements? State its components.
(b) Discuss the features of corporate financial statements.
10. (a) What do you mean by IFRS? Discuss their characteristics.
(b) Explain the concepts of Adoption and Convergence of IFRS.

11. The following figures are available from the records of Vivanta Ltd. as at March 31:

	Year 1 (Rs. lakhs)	Year 2 (Rs. lakhs)
Sales	450	600
Profit	90	150

You are required to calculate:

- (a) P/V Ratio and Total fixed expenses;
- (b) Break-even level of sales;
- (c) Sales required to earn a profit of Rs. 270 lakhs;

(d) Profit or loss that would arise if the sales were Rs. 840 lakhs.

12. (a) 'All assets used by an organisation are subject to Depreciation'. Offer your comments on the given statement.

(b) Discuss the various factors that cause depreciation of the assets of an organisation.

13. A company has three production departments – Manufacturing, Assembly & Finishing and two service departments – Power & Administration. The following data are estimated for the year 2020-21:

Department	Factory Overhead apportioned (Rs.)	Services rendered by	
		Power	Administration
Manufacturing	8,00,000	40%	35%
Assembly	7,00,000	20%	30%
Finishing	6,00,000	20%	20%
Power	3,60,000	-	15%
Administration	6,00,000	20%	-

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

14. The following information is provided by Roxy Ltd., a ready-made garments manufacturing firm which is currently operating at 50% activity level.

	Rs.
Sales	12,00,000
Direct materials	3,40,000
Direct wages	2,80,000
Electricity (80% variable)	80,000
Depreciation (70% Fixed)	2,00,000
Insurance on fixed assets (40% variable)	64,000
Repairs & Maintenance (50% variable)	88,000
Rent (100% Fixed)	58,000

The company's management is planning to scale up its operations. In this background, you are required to prepare a flexible budget reflecting 75% and 90% activity levels.

15. Write short notes on:

(a) Features of Activity Based Costing;

(b) Target costing.