



Reg. No. :

**Question Paper Code : 70158**

M.B.A. DEGREE EXAMINATIONS, NOVEMBER/DECEMBER 2019

First Semester

BA 5103 – ACCOUNTING FOR MANAGEMENT

(Regulations 2017)

Time : Three Hours

Maximum : 100 Marks

Answer ALL questions

PART – A

(10×2=20 Marks)

1. What is meant by Management Accounting ?
2. What do you understand by Money Measurement Concept ?
3. What is Buyback of securities ?
4. Calculate liquid ratio :

	Rs.
Current assets	10,000
Stock	1,500
Prepaid expenses	500
Current liabilities	4,000
5. What is Preferential allotment ?
6. Write down any two differences between cash flow analysis and funds flow analysis.

70158

-2-



7. State the objectives of Activity-Based Costing.
8. List out any three methods of issuing inventories.
9. What is Codification ?
10. State the basic requirements of the computerized accounting system

## PART - B

(5×13=65 Marks)

11. a) From the following Trial Balance of Mr. Prasad as on 31<sup>st</sup> March 2018, prepare Trading and profit and Loss account and Balance sheet taking into account the adjustments.

## Trial Balance

Particulars	Debit	Credit
	Rs.	Rs.
Stock on 1-4-2017	1,50,000	
Purchases	1,30,000	
Sales		3,00,000
Carriage inwards	2,000	
Salaries	50,000	
Printing and Stationary	8,000	
Drawings	17,000	
Sundry Creditors		20,000
Sundry debtors	1,80,000	
Furniture	10,000	
Capital		2,50,000
Postage and Telephone	7,500	
Interest paid	4,000	
Machinery	41,500	
Loan Account		25,000
Suspense A/c		5,000
	<b>6,00,000</b>	<b>6,00,000</b>

**Adjustments :**

- a) Closing Stock Rs. 1,20,000
- b) Provide 5% for bad and doubtful debts on debtors
- c) Depreciate machinery and furniture by 5%
- d) Allow interest on capital at 5%
- e) Prepaid printing charges Rs. 2,000.

(OR)

- b) Explain in detail on Human Resource Accounting.

12. a) Write a note on the scope and importance of Employee stock option.

(OR)

- b) A company issued 10,000 equity shares of Rs. 10 each at premium of Rs. 3 per share payable as follows :

on application                      Rs. 4 per share

on allotment                         Rs. 5 per share (including premium)

on first and final call    Rs. 4 per share.

Subscriptions were received for 13,000 shares. The excess money was refunded and the allotment money was received in full. The first and final call was made in due course and the amount due was received with the exception of 100 shares. These shares were forfeited and subsequently re-issued as fully paid for Rs. 8 per share. Pass Journal entries recording the above transactions.

13. a) From the following Balance Sheet of Gupta Ltd., prepare Schedule of changes in Working Capital :

**Balance Sheet**

Liabilities	2016	2017	Assets	2016	2017
	Rs.	Rs.		Rs.	Rs.
Creditors	55,000	83,000	Cash in Hand	15,000	10,000
Bills Payable	20,000	16,000	Cash at Bank	10,000	8,000

70158

-4-



Share Capital	1,00,000	1,50,000	Debtors	1,60,000	2,00,000
General Reserve	7,000	8,000	Stock	77,000	1,09,000
Debenture	1,00,000	1,00,000	Bills Receivable	20,000	30,000
	<b>2,82,000</b>	<b>3,57,000</b>		<b>2,82,000</b>	<b>3,57,000</b>

(OR)

b) Briefly explain the significance of various types of ratios.

14. a) Explain the concept of 'Job order costing'. With an illustration.

(OR)

b) The budgeted output of a factory specializing in the production of single product at the optimum capacity of 6,400 units per annum amounts to Rs. 1,76,048 as detailed below :

Fixed Cost :		20,688
Variable cost :		
Power	1,440	
Repair etc.	1,700	
Miscellaneous	540	
Direct materials	49,280	
Direct labour	1,02,400	1,55,360

Having regard to possible impact on sales turnover by market trends, the company decides to have a flexible budget with a production of 4,800 units.

Prepare a flexible budget for production levels at 75%. Assuming the sale per unit is maintained at Rs. 40 as at present, indicate the effect on net profit.

Administration, selling and distribution expenses continues at Rs. 3,600



15. a) Briefly explain the roles of computer in accounting.

(OR)

b) Write a detailed note on Prepackaged Accounting Softwares.

PART – C

(1×15=15 Marks)

16. a) The balance sheets of ABC Co. at the end of 2015 and 2016 are given below :

Liabilities	2015 (Rs.)	2016 (Rs.)	Assets	2015 (Rs.)	2016 (Rs.)
Share Capital	1,00,000	1,50,000	Freehold Land	1,00,000	1,00,000
Share Premium	–	5,000	Plant at cost	1,04,000	1,00,000
General Reserve	50,000	60,000	Furniture at cost	7,000	9,000
Profit and Loss A/c	10,000	17,000	Investment at cost	60,000	80,000
12% Debentures	70,000	50,000	Debtors	30,000	70,000
Provision for depreciation on plant	50,000	56,000	Stock	60,000	65,000
Provision for depreciation on furniture	5,000	6,000	Cash	30,000	45,000
Provision for taxation	20,000	30,000			
Sundry creditors	86,000	95,000			
	<b>3,91,000</b>	<b>4,69,000</b>		<b>3,91,000</b>	<b>4,69,000</b>

70158

-6-

**Additional Information :**

- a) A plant purchased for Rs. 4,000 (Depreciation Rs. 2,000) was sold in cash for Rs. 800 on September 30, 2016.
- b) On June 30, 2016 an item of furniture was purchased for Rs. 2,000 and that was the only transaction concerning fixed assets during 2018.
- c) A dividend of 22 $\frac{1}{2}$ % on original shares was paid.

You are required to prepare a fund flow statement and verify the results by preparing schedule of changes in working capital.

(OR)

- b) The following is the summarised Trading and Profit and Loss A/c of Sahana's and Co, for the year ending 2017 and the Balance Sheet as at that date 31-03-2017 :

<b>Trading and Profit and Loss Account</b>			
<b>for the year ending 31-03-2017</b>			
Dr.		Cr.	
Particulars	Rs.	Particulars	Rs.
To Opening Stock	10,000	By Sales	1,00,000
To Purchases	50,000	By Closing stock	15,000
To Direct expenses	5,000		
To Gross Profit c/d	50,000		
	<b>1,15,000</b>		<b>1,15,000</b>
To Administrative expenses	15,000	By Gross Profit b/d	50,000
To Interest	3,000		
To Selling expenses	12,000		
To Net Profit	20,000		
	<b>50,000</b>		<b>50,000</b>



-7-

70158

## Balance Sheet as on 31-03-2017

Liabilities	Rs.	Assets	Rs.
Capital	1,00,000	Land and Building	50,000
Current liabilities	40,000	Plant and Machinery	30,000
Profit and Loss A/c	20,000	Furniture	20,000
		Stock	15,000
		Sundry debtors	15,000
		Bills receivable	12,500
		Cash in hand and at bank	17,500
	<b>1,60,000</b>		<b>1,60,000</b>

From the above, calculate the following :

- i) Profitability ratios,
- ii) Current ratio,
- iii) Acid Test Ratio,
- iv) Stock Turnover ratio,
- v) Fixed Assets Turnover Ratio.