

Reg. No.

Question Paper Code

11957

M.B.A - DEGREE EXAMINATIONS, APRIL / MAY 2023

First Semester

Master of Business Administration

20MBT101 - ACCOUNTING FOR DECISION MAKING

(Regulations 2020)

Duration: 3 Hours

Max. Marks: 100

PART - A (10 × 2 = 20 Marks)

Answer ALL Questions

- | | <i>Marks,</i>
<i>K-Level, CO</i> |
|--|-------------------------------------|
| 1. List the basic Accounting Concepts. | 2,K1,CO1 |
| 2. As an Accounting Manager find out the Gross Profit from the following:
Purchases Rs. 20000, Wages Rs. 5000 opening stock Rs. 10000, Sales Rs. 50000. | 2,K2,CO1 |
| 3. Interpret the company balance sheet of your choice. | 2,K2,CO2 |
| 4. Compare and contrast Share premium and Share split. | 2,K3,CO2 |
| 5. How do you utilize ratio analysis to predict the financial soundness of your business? | 2,K3,CO3 |
| 6. Select the activities that are involved in the preparation of cash flow statements as per AS 3. | 2,K1,CO3 |
| 7. As an Accounting Manager analyze the BEP from the following: Fixed cost Rs. 150000, Variable cost per unit Rs. 10, Selling price per unit Rs. 15. | 2,K3,CO4 |
| 8. Compare Activity Based Costing and Target Costing. | 2,K1,CO4 |
| 9. Imagine that as an Accounting Manager of a corporation you discuss significance implementing zero bases budgeting in your organization. | 2,K2,CO5 |
| 10. State any two examples of controllable and uncontrollable variances. | 2,K1,CO5 |

PART - B (5 × 13 = 65 Marks)

Answer ALL Questions

11. a) Discuss the importance of GAAP for the preparation of ethical financial statement in your business. 13,K2,CO1
- OR**
- b) What is the importance of Inflation Accounting? Explain the various methods of Inflation Accounting. 13,K2,CO1
12. a) Explain the process of profit prior and post incorporate position. 13,K3,CO2
- OR**
- b) Write short note on 1) Share premium 2) Share allotment 3) share split 13,K2,CO2

K1 – Remember, K2 – Understand, K3 – Apply, K4 – Analyze, K5 – Evaluate, K6 – Create

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13. a) The Balance Sheets of CPCL as on 31st March, 2021 and 31st March 2022 are as follows: 13,K3,CO3

Liabilities	2021	2022	Assets	2021	2022
Share Capital	450000	550000	Goodwill	115000	90000
General Reserve	40000	70000	Land & Building	120000	170000
P&L	30000	48000	Plant	105000	200000
8% Debenture	42000	83000	Debtors	160000	200000
Bills Payable	20000	16000	Stock	77000	109000
Creditors	40000	50000	Bills Receivable	20000	30000
			Cash in hand	25000	18000
	622000	817000		622000	817000

You are advised to calculate the following ratios:

- 1) Current ratio 2) Quick ratio 3) Debt-Equity ratio 4) Proprietor fund ratio.

OR

- b) The Balance Sheets of Birla life Insurance. as on 31st March, 2021 and 31st March 2022 are as follows: 13,K3,CO3

Liabilities	2021	2022	Assets	2021	2022
Share Capital	450000	550000	Goodwill	115000	90000
General Reserve	40000	70000	Land & Building	120000	170000
P&L	30000	48000	Plant	105000	200000
8% Debenture	42000	83000	Debtors	160000	200000
Bills Payable	20000	16000	Stock	77000	109000
Creditors	40000	50000	Bills Receivable		30000

			Cash in hand	25000	18000
	622000	817000		622000	817000

Additional Information:

- (i) Depreciation of Rs.10000 and Rs.20000 have been charged on Plant and Land and Building respectively in 2022.
- (ii) A dividend of Rs.25000 has been paid in 2022.
- (iii) Income tax of Rs.30000 has been paid during 2022.

You are advised to prepare Fund flow statement and suggest the status of cash from operation.

14. a) Tanjore Toys manufacturing company financial information for the period 2021 and 2022. 13,K2,CO4

Year	2021	2022
Sales	100000	120000
Profit	9000	14000

You are requested to calculate and interpret the results in the following tools used in your analysis:

- (i) P/V Ratio.
- (ii) Fixed Cost.
- (iii) BEP.
- (iv) MOS.
- (v) Sales required to earn a profit of Rs.60000.

OR

- b) Apply your knowledge to reveal the relationship between Cost-Volume-Profit analyses in business decision making. 13,K2,CO4

15. a) Discuss the importance of various Budgetary Control Techniques in your business decision making. 13,K2,CO5

OR

- b) Adithya Limited wants you to prepare a cash budget of the company for 3 months from April to June 2022. You are given the following information. 13,K4,CO5

Month	Credit Sales (Rs.)	Credit Purchase (Rs.)	Wages (Rs.)	Selling Expenses (Rs.)	Overhead
January	200000	130000	20000	10000	10000
February	150000	140000	30000	10000	11000
March	250000	160000	20000	15000	13000
April	220000	180000	15000	15000	14500
May	175000	90000	30000	9000	10500
June	180000	95000	36000	9200	11000

Additional Information:

1. Periods of credit allowed to debtors 2 months.

K1 – Remember; K2 – Understand; K3 – Apply; K4 – Analyze; K5 – Evaluate; K6 – Create

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2. Period of credit allowed to creditors 1 month.
3. Lag in payment of wages, selling expenses and overhead one month.
4. Expected cash sales Rs.15000 P.M.
5. Expenditure on machinery is payable in April Rs.50000.
6. Expected cash balance in April Rs.10, 500.

PART - C (1 × 15 = 15 Marks)
(Compulsory)

- 16 a) From the following table of Xiomi India Private limited for the period 31st March 2022.

15,K5,CO6

PARTICULARS	DEBIT (RS.)	CREDIT (RS.)
Opening stock 1/4/21	60000	
Sales		100000
Cash	500	
Wages	4000	
Debtors & Creditors	20000	10000
Bills Receivable & Bills Payable	15000	10000
Salaries	5000	
Rent, Rates and Taxes	7000	
Power for Factory	3000	
Insurance	5000	
Advertisement	2000	
Land & Building	100000	
Plant & Machinery	150000	
Goodwill	75000	
Drawings	5000	
9% Debentures		200000
Share Capital		400000
Reserves & Surplus		50000
Premises	300000	
Trade Mark	18000	
Miscellaneous Expenses	500	
TOTAL	770000	770000

Adjustment:

- (i) Company closing stock of Rs. 90000 as on 31st march 2022.
 - (ii) Outstanding Wages Rs. 500.
 - (iii) Prepaid Insurance Rs. 100.
 - (iv) Depreciation on Premises @ 5%.
 - (v) Create New Provisions for Bad Debts on Sundry Debtors @ 2%.
- You are advised to Prepare Final Accounts.