

Reg. No.																			
----------	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Question Paper Code	12369
---------------------	-------

MBA - DEGREE EXAMINATIONS, NOV / DEC 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. What is the purpose of using Cash in your Business? | 2,K2,CO1 |
| 2. Define Accounting. | 2,K2,CO1 |
| 3. State different type of shares in Corporate. | 2,K1,CO1 |
| 4. Define the term Bonus Shares | 2,K1,CO1 |
| 5. Evaluate working capital positions of your business from the following information:
Cash Rs. 3000, Debtors Rs. 6000, Inventories Rs. 8000, Creditors Rs. 4000, Bills Payable Rs. 3000. | 2,K3,CO3 |
| 6. Identify Current Ratio from the following information of SR India Ltd
Bank Rs. 2000, Cash Rs. 5000, Debtors Rs. 6000, Bills Receivable Rs. 7000, Stock Rs. 4000, sundry creditors Rs. 4000, Bills payables Rs. 3000, Bank overdraft Rs. 2000. | 2,K3,CO3 |
| 7. State the importance of Marginal Cost tools in your Business decision. | 2,K2,CO4 |
| 8. Distinguish between Standard and Actual in your business budget | 2,K1,CO1 |
| 9. Define Material Cost Variance | 2,K2,CO2 |
| 10. State the importance of Labour Cost Variance | 2,K2,CO2 |

PART - B (5 × 13 = 65 Marks)
 Answer ALL Questions

11. a) How the Accounting data's are used in your business? who are the Users of the Accounting Information? 13,K2,CO3
- OR**
- b) Discuss the importance of GAAP for the preparation of ethical financial statement in your business. 13,K2,CO3
12. a) Tata Steel Ltd. was incorporated on May 1st, 2021 to take over business of Agni Steel, as a going concern from 1-1-2021. The Profit and Loss account for the year ending 31-12-2021 was as follows: 13,K5,CO3

Particulars	Amounts	Particulars	Amounts
To Rent and Taxes	24,000	By Gross Profit	3,10,000
To Insurance	6,000		
To Electricity Charges	4,800		
To Salaries	72,000		
To Director's Fees	6,000		
To Auditor's Fees	3,200		
To Commission	12,000		
To Advertisement	8,000		
To Office expenses	7,000		
To Carriage	6,000		

To Bank charges	3,000		
To Preliminary exp's	13,000		
To Bad Debts	4,000		
To Interest on loan	6,000		
To Net Profit	1,35,000		
Total	3,10,000	Total	3,10,000

The total turnover for year ended 31st Dec. 2021 was ₹ 10,00,000 divided into ₹ 3,00,000 upto 1st May and ₹ 7,00,000 for the remaining period. Ascertain the profits earned prior to and post incorporation periods.

OR

b) Write short notes on: 1) Share Premium 2) Re-issue of share 3) Share Allotment 13,K2,CO2

13. a) The Balance Sheets of National Insurance Co. as on 31st March, 2022 and 31st March 2023 are as follows: 13,K5,CO3

Liabilities	2022	2023	Assets	2022	2023
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

Additional Information:

- (i) Depreciation of Rs.15000 have been charged on Plant
- (ii) Interim dividend of Rs.20000 paid during the period.
- (iii) Income tax of Rs.18000 has been paid during
- (iv) You are advice to prepare Cash Flow Statement and suggest the status of cash from operation.

OR

b) Nippon Paint Holding Company Ltd., financial statement as on 31st March 2022 and 2023. 13,K5,CO3

Liabilities	2022	2023	Assets	2022	2023
Share Capital	500000	700000	Plant and Mach.	500000	800000
P&L	100000	160000	L & B	80000	120000
General Reserve	50000	70000	Stock	100000	75000
Sundry Creditors	153000	190000	Debtors	150000	160000
Bills Payable	40000	50000	Cash	20000	20000
Outstanding Exp	7000	5000			
	850000	1175000		850000	1175000

A part of Plant and Machinery cost Rs.16000 (accumulated depreciation of Rs.8000) was sold for Rs.10000 during the Period

Income tax Paid Rs 22,000 during the period.

You are advice to prepare fund flow statement and also interpret the fund position.

14. a) The following information related to production and sales of Tanjore paints for Period I and II 15,K5,CO4

	Period I	Period II
Sales	1,00,000	1,20,000
Profit	9,000	14,000

You are requested to calculate:

- (i) P/V Ratio
- (ii) Fixed Cost
- (iii) BEP
- (iv) MOS
- (v) Sales to earn a profit of Rs.50,000
- (vi) Sale of Rs.3,00,000 determine profit

OR

- b) ACC Ltd., has prepared the following budget estimates for the year 2022-2023 15,K5,CO3
 Sales in units 15,000
 Fixed expenses Rs.25,000
 Selling Price Rs. 10
 Variable cost per unit Rs.6

You are required to determine a) P/V ratio, b) Break-even point and c) Margin of safety in each of the cases:

- Decrease of 20% in selling price
- Increase of 10% in variable costs.

15. a) Prepare a Flexible budget for overheads on the basis of the following data for Flextronics. Ascertain the overhead rates at 50%, 60% and 80% capacity. 13,K5,CO5

Variable overheads: At 60% capacity(Rs)

Indirect Material 8,000
 Labour 18,000

Semi-variable overheads:

Electricity: (40% Fixed & 60%variable)30,000
 Repairs: (80% fixed & 20%Variable) 10,000

Fixed overheads:

Depreciation 16,500
 Insurance 4,500

Total overheads **87,000**

Estimated direct labour hours 1,86,000

As a cost manager accountant : Determine the overhead in each level of capacity and also suggest which level of capacity is more optimal for your future production.

OR

- b) **The Pricol Ltd** company's details of Standard, Actual material and Cost information for the period of 2023. 15,K5,CO5

Materials	Standard			Actual		
	Qty	Price	Total	Qty	Price	Total
A	200	20	4000	180	19	3420
B	300	25	7500	320	24	7680
C	400	23	9200	350	21	7350
Total	900			850		
Less 10 %						
Normal Loss	90			140		
	810		20700	710		18450

You are advised to estimate and comment.

1. MCV
2. MPV
3. MUV
4. M Mix Variance and M. Yield Variance

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

16. a) From the following Trial Balance of Vivo India limited for the period 31st March 2023. *15,K3,CO3*

PARTICULARS	DEBIT (RS.)	CREDIT (RS.)
Stock 1/4/22	60000	
Sales		100000
Bank	500	
Wages	5000	
Dr's & Cr's	150000	80000
Bills Receivable & Bills Payable	20000	12000
Salaries	6000	
Rent, Rates and Taxes	7000	
Power for Factory	3000	
Insurance	5000	
Advertisement	2000	
Land & Building	100000	
Plant & Machinery	150000	
Goodwill	80000	
Drawings	5000	
12% Debentures		200000
Share Capital		400000
Reserves & Surplus		58000
Building Premises	300000	
Goodwill	18000	
Travel Expenses	1500	
TOTAL	778000	778000
Adjustment:		
(i) Company Closing stock of Rs. 110000 as on 31 st march 2023.		
(ii) Outstanding Wages Rs. 6000 & outstanding salary Rs.7000		
(iii) Prepaid Insurance Rs. 500		
(iv) Depreciation on Premises @ 6% & Plant and machinery 5%		
(v) Create New Provisions for Bad Debts on Sundry Debtors @ 2%		
You are advised to Prepare Final Accounts.		