

Reg. No.

Question Paper Code

12928

**MBA - DEGREE EXAMINATIONS, APRIL / MAY 2024**

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)****Marks K – CO  
Level**

Answer ALL Questions

1. List the basic accounting concepts. 2 K1 CO1
2. As an accounting manager find out the Net Profit from the following: 2 K2 CO1  
Gross Profit Rs. 15000, Office expenses, Rs. 5000, Selling expenses Rs. 2000, Rent received Rs.1000.
3. Outline the meaning and entries related to Buy-back of securities. 2 K2 CO2
4. Compare and contrast Share premium and Share split. 2 K2 CO2
5. As an accounting manager identify working capital positions of your business from the following: Cash Rs. 2000, Debtors Rs. 3000, Inventories Rs. 4000, Creditors Rs. 5000, Bills Payable Rs. 1000. 2 K2 CO3
6. Identify cash inflows and cash outflows of your business. 2 K1 CO3
7. Classify the following: Job Costing, Batch Costing and Process Costing for the various businesses. 2 K2 CO4
8. List the important decision making areas of marginal costing. 2 K2 CO4
9. As an accounting manager, estimate labour variances from the following: Standard hours 20 for one unit of output and standard rate Rs. 5 per hour and Actual production 1000 units and Actual rate per hour Rs. 4.80. 2 K2 CO5
10. Discuss the purpose of a cash budget and flexible budget. 2 K2 CO5

**PART - B (5 × 13 = 65 Marks)**

Answer ALL Questions

11. a) Define Accounting. Discuss various Accounting principles for ethical operation of business in the competitive world. 13 K2 CO1

**OR**

- b) From the following Trial balance of Samsung India private limited for the period of 31<sup>st</sup> March 2020. 13 K5 CO1

Particulars	Debit (INR)	Credit (INR)
Share capital	-	350000
Stock(1.04.2019)	40000	-
Land and Buildings	440000	-
9% Debentures	-	225000
Wages	6000	-
Carriage Inwards	2000	-
Rent, Rates and Taxes	3000	-
Debtors and Creditors	40000	30000
Bills Receivable and Bills Payable	23000	15000

Goodwill	75000	-
General Reserve	-	75000
Salaries	16000	-
Advertisements	9000	-
Digital Expenses	12000	-
Purchases and Sales	30000	155000
Returns	10000	10000
Insurance	3000	-
Bad Debts	4000	-
Cash	20000	-
10% Bank Loan	-	125000
Cash at Bank	75000	-
Postal Expenses	7000	-
Motor Car	80000	-
Computers	90000	-
<b>Total</b>	<b>985000</b>	<b>985000</b>

Adjustment

1. Closing stock on 31<sup>st</sup> march 2020 Rs. 750000
2. Outstanding wages Rs.3000 & Salaries Rs.2000
3. Prepaid insurance Rs.200

You are advised to prepare a financial statement.

12. a) Write short note on 1) Forfeiture of share 2) Re-issue of share 3) Issue of share. 13 K3 CO2

**OR**

- b) Victory Ltd. was incorporated on May 1st, 2011 to take over business of Camlin Co., as a going concern from 1-1-2011. The Profit and Loss account for the year ending 31-12-2011 was as follows: 13 K5 CO2

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 exps	13,000		
To Bad Debts	4,000		
To Interest on loan	6,000		
To Net Profit	1,35,000		
<b>Total</b>	<b>3,10,000</b>	<b>Total</b>	<b>3,10,000</b>

The total turnover for year ended 31st Dec. 2011 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.

- 13 a) The Balance Sheets of CPCL as on 31st March, 2021 and 31st March 2022 are as follows: 13 K5 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) From the following Balance sheet of RR Tulsi Ltd., as on 31<sup>st</sup> March 2017 and 2018. You are advised to prepare Fund Flow Statement and interpret the movement of working capital and fund flow position. 13 K5 CO3

Liabilities	2017	2018	Assets	2017	2018
Share Capital	100000	100000	Goodwill	12000	12000
P&L	16000	13000	Buildings	50000	46000
General Reserve	14000	18000	Machinery	27000	26000
Sundry Creditors	5000	3400	Investments	10000	11000
Bills Payable	1200	800	Stock	20000	13400
Bank Overdraft	3000	2000	Bills Receivable	12000	13200
Provision for doubtful debts	400	600	Debtors	18000	19000
Provision for Tax	16000	18000	Cash in Hand	6600	15200
	155600	155800		155600	155800

Additional Information

(1) Depreciation Charged on Machinery Rs. 4,000 and on Building Rs. 4,000.

(2) Interim Dividend of Rs. 8,000 was Paid during the year 2018.

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

**OR**

- b) Discuss the importance of Break Even Point and its assumption. 13 K4 CO4

- 15 a) From the following information, prepare a cash budget for 3 months ending 30-9-2019. 13 K4 CO5

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)	Expenses (Rs.)
June 2019	200000	130000	20000	10000
July 2019	150000	140000	30000	10000
Aug. 2019	250000	160000	20000	15000
Sep. 2019	220000	180000	15000	15000

**Additional Information**

- Opening cash balance on 1<sup>st</sup> July is Rs.60, 000.
  - Debtors(Cr. Sales) pays in the month of following the month of sales
  - Creditors (purchase) are paid in the month, following the month of purchases.
- Expense is paid in the same month. Assume that wages are paid on monthly basis on the first of very next month.

**OR**

- b) 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
<b>Total overheads</b>	<b>87,000</b>

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.

**PART - C (1× 15 = 15 Marks)**

(Compulsory)

16. **The Pricol Ltd** company's details of Standard, Actual material and Cost information for the period of 2022. 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
<b>Total</b>	<b>900</b>			<b>850</b>		
Less 10 %						
Normal Loss	90			140		
	<b>810</b>		<b>20700</b>	<b>710</b>		<b>18450</b>

You are advised to estimate and comment.

- MCV
  - MPV
  - MUV
  - M Mix Variance
- M. Yield Variance