

**MBA - DEGREE EXAMINATIONS, NOV / DEC 2025**

First Semester

**Master of Business Administration**

**24MBT101 - ACCOUNTING FOR DECISION MAKING**

Regulations - 2024

Duration: 3 Hours

Max. Marks: 100

**PART - A (10 × 2 = 20 Marks)**

Answer ALL Questions

	Marks	K – Level	CO
1. Define the term of accounting for business.	2	K1	CO1
2. State any two importance of human resource accounting.	2	K1	CO1
3. How the ratio analysis is useful for your business?	2	K2	CO2
4. The following information of Tesla for the period 2024: Stock – Rs.25000, Creditors – Rs.15000, Cash – Rs.40000, Bills payable – Rs.10000, Land and building – Rs.300000, Motor Car – Rs.200000, Debtors – Rs.10000, Bank overdraft – Rs.5000 Determine current ratio and interpret the solvency position of the company.	2	K3	CO2
5. State the importance of fund flow statement.	2	K1	CO3
6. How the marginal cost tools are useful for your startup?	2	K1	CO3
7. From the following information of HP Electronics for the period of 2023: Sales - Rs.140000, Variable cost – Rs. 50000, Fixed cost – Rs. 40000 You are required to determine the P/V ratio of the company.	2	K3	CO4
8. Define the term of material variance.	2	K1	CO4
9. Write short notes on i) Share premium ii) Bonus share	2	K1	CO5
10. State any 3 purposes of corporate accounting.	2	K2	CO5

**PART - B (5 × 13 = 65 Marks)**

Answer ALL Questions

11. a) Discuss the importance of GAAP for your ethical business practices.	13	K2	CO1
<b>OR</b>			
b) How the financial statement analysis is useful for the various stakeholders in a business? Why?	13	K2	CO1
12. a) As a merchant banker how do you deal the following: Issue of shares Profit prior to Incorporation Share Split Forfeiture of share	13	K3	CO2
<b>OR</b>			
b) <b>Madura Coats</b> was incorporated on May 1st, 2022 to take over business of Royal textile, as a going concern from 1-1-2022. The Profit and Loss account for the year ending 31-12-2022 was as follows: The total turnover for year ended 31st Dec. 2022 was ₹ 10,00,000 divided into ₹ 4,00,000 upto 1st May and ₹ 6,00,000 for the remaining period. Ascertain the profits earned prior to and post incorporation periods.	13	K3	CO2

Particulars	Amounts	Particulars	Amounts
To Insurance	40,000	By Gross Profit	3,60,000
To Rent and Taxes	15,000		
To Power for admin	4,800		
To Salaries	77,000		
To Director's Fees	3,200		
To Auditor's Fees	11,000		
To Commission	17,000		
To Sales expense	8,000		
To Admin expenses	6,000		
To Carriage outward	7,000		
To Bank charges	3,000		
To Preliminary expenses	13,000		
To Bad Debts	4,000		
To Interest on loan	6,000		
To Net Profit	1,45,000		
	<b>3,60,000</b>		<b>3,60,000</b>

13. a) The Financial statement of **Jet Airways** as on 31st March, 2023 and 31st March 2024 are as follows: 13 K4 CO3

Liabilities	2023	2024	Assets	2023	2024
Share Capital	450000	550000	Cash in bank	115000	80000
General Reserve	40000	60000	Motor car	120000	180000
P&L	30000	48000	Machinery	95000	190000
10% Bond	42000	83000	Stock	170000	210000
Bank overdraft	20000	26000	Debtors	77000	109000
Creditors	40000	50000	Bills Receivable	20000	35000
			Goodwill	25000	13000
	622000	817000		622000	817000

Additional Information:

- i) A part of motor car cost Rs.40000 (depreciated Rs.15000) and it is sold for Rs.20000
- ii) An interim dividend paid of Rs.10000 during the period 2024.
- iii) Income tax of Rs.18000 has been paid during 2024.

You are advised to prepare a Cash Flow Statement and interpret the results of the cash from operation.

**OR**

- b) **Asian Paints India Ltd.** financial statement as on 31<sup>st</sup> March 2023 and 2024. 13 K4 CO3

Liabilities	2023	2024	Assets	2023	2024
Share Capital	600000	800000	Plant and Machinery	400000	500000
Net Profit	90000	140000	L & B	200000	300000
General Reserve	50000	70000	Stock	40000	60000
Sundry Creditors	60000	90000	Bills receivable	15000	20000
Bills Payable	40000	50000	Cash in bank	15000	10000
Short term loan	10000	15000	Goodwill	50000	35000
			Investment	130000	240000
	<b>850000</b>	<b>1165000</b>		<b>850000</b>	<b>1165000</b>

- i) A part of Plant and Machinery cost Rs.25000 (accumulated depreciation of Rs.6000) was sold for Rs.22000 during the year 2024.

ii) Income tax paid Rs.30000 during the period 2024.

You are advised to prepare fund flow statement and also interpret the fund position of the company.

14. a) **Boston Dynamics** financial information for the period 2022 and 2023

13 K5 CO4

Year	2022	2023
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) BEP
- (iii) MOS
- (iv) Sales required to earn a profit of Rs.200000 and
- (v) When sales of Rs.400000, how much is the profit?

**OR**

- b) **Ramraj cotton** estimated to produce 10000 units of Shirts in its factory and the Cost details are as follows:

13 K5 CO4

Particulars	Cost per Unit
Material	50
Direct Labour	40
Variable Overhead	20
Fixed Overhead (Rs. 100000)	10
Selling Expenses (30% fixed)	30
Power (40% fixed)	30
Administrative Expenses	20
<b>Total Cost</b>	<b>200</b>
Selling Price	240
<b>Profit</b>	<b>40</b>

You are advised to prepare a budget for the production of

1. 7000 units and 9000 units and also determine cost per unit.
2. As a Cost Manager - what level of Production Capacity is optimal? And why?

15. a) **TVS Clayton** company's details of materials and cost information for the period of 2024.

13 K3 CO5

Materials	Standard			Actual		
	Qty	Price	Total	Qty	Price	Total
Gearbox	300	30	9000	250	20	5000
Clutch	200	25	5000	190	24	4560
Brake shoe	400	25	10000	360	22	7920
<b>Total</b>	<b>900</b>			<b>800</b>		
Less 10 %						
Normal Loss	90			120		
	<b>810</b>		<b>24000</b>	<b>680</b>		<b>17480</b>

You are advised to estimate and interpret the results thereof.

1. Material Cost Variance
2. Material Price Variance
3. Material Usage Variance
4. Material Sub Usage Variance

5. Material Mix Variance
6. Material Yield Variance

**OR**

- b) Distinguish between Standard Cost and Budgetary control. How these tools are useful for your cost decision making? 13 K3 CO5

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

16. From the following Trial balance of **Indigo Airlines limited** for the period 31<sup>st</sup> March 2023. 15 K6 CO5

PARTICULARS	DEBIT (RS.)	CREDIT (RS.)
Opening stock 1/4/22	600000	
Sales		1000000
Cash	50000	
Wages	25000	
Debtors & Creditors	200000	100000
Bills Receivable & Bills Payable	150000	100000
Salaries	60000	
Rent, Rates and Taxes	70000	
Fuel for flight	30000	
Insurance	50000	
Sales Promotion	20000	
Land & Building	1000000	
Plant & Machinery	1500000	
Goodwill	800000	
Drawings	50000	
11% Debentures		2000000
Share Capital		5000000
Reserves & Surplus		515000
Flight Tools and Equipments	300000	
Maintenance Expenses	180000	
Miscellaneous Expenses	15000	
Carriage Inward	60000	
Boeing Aircrafts	3500000	
Office Administration	40000	
Bad debt	15000	
	<b>8715000</b>	<b>8715000</b>

**Adjustment:**

- i) Company Closing stock of Rs. 600000 as on 31<sup>st</sup> march 2023.
  - ii) Outstanding Wages Rs. 10000 & outstanding salary Rs.8000
  - iii) Prepaid Insurance Rs. 7000
  - iv) Depreciation on Aircrafts @ 2%, Plant and machinery 2% and 1% on Flight Tools and equipments.
  - v) Create New Provisions for Bad Debts on Sundry Debtors @ 2%
- You are advised to Prepare Financial statement for the period of 2024.