

**MBA - DEGREE EXAMINATIONS, APRIL / MAY 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. What is meant by financial accounting?	2	K1	CO1
2. Define human resource accounting.	2	K1	CO1
3. Mention the reason for buy –back of securities.	2	K2	CO2
4. Give the meaning of term “company”.	2	K2	CO2
5. Which is called financial statements?	2	K1	CO3
6. Recall the meaning of term ratio analysis.	2	K1	CO3
7. Write short note on “Batch costing”.	2	K1	CO4
8. State the meaning of term marginal costing.	2	K1	CO4
9. Classify the different types of variance analysis.	2	K2	CO5
10. Outline any two benefits of preparing production budget.	2	K2	CO5

**PART - B (5 × 13 = 65 Marks)**

Answer ALL Questions

11. a) (i) State the scope and benefits of financial accounting. 7 K1 CO1  
(ii) What are the advantages of human resource accounting? Explain. 6 K1 CO1
- OR**
- b) (i) From the following ledger balance, prepare the Trial Balance. 6 K1 CO1

Particulars	Rs.
Opening stock	30000
Purchase	300000
Closing stock	14000
Debtors	120000
Cash	3000
Discount allowed	3400
Bank	5600
Creditors	90000
Sales	420000
Salaries	42000
Rent	9000
Postage	4500
Taxes	1500
Machinery	120000
Drawings	20000
Capital	152000
Purchase return	6000
Sales returns	9000

- b) (ii) From the following balance taken out at the close of the year ended 31<sup>st</sup> December 2002, prepare a Profit and loss account. 7 K1 CO1

Particulars	Amount	Particulars	Amount
Gross profit	102000	Discount (dr)	1000
Carriage outwards	5000	Apprentice premium (cr)	3000
Salaries	110000	Printing and stationery	500
Rent	2200	Rates and Taxes	700
Insurance Premium	1800	Traveling expenses	400
Bad debts	4200	Depreciation	12000
Sundry trade expenses	600	Repairs and maintenance	5600

12. a) On 1<sup>st</sup> april 1988, A Ltd. Issued 50,000 shares of Rs.100 each payables as follows: 13 K4 CO2

Rs.20 on application;

Rs.30 on allotment

Rs.25 on 1<sup>st</sup> October, 1988; and

Rs.25 on 1<sup>st</sup> February, 1989.

By 20<sup>th</sup> May, 40,000 shares were applied for and all applications were accepted. Allotment was made on 1<sup>st</sup> June. All sums due on allotment were received on 15<sup>th</sup> July; those on 1<sup>st</sup> call were received on 20<sup>th</sup> October. When accounts were closed on 31<sup>st</sup> March, 1989, the second and final call on 400 shares had not been received. Journalize the transactions.

**OR**

- b) The Alfa Manufacturing company limited was registered with a nominal capital of Rs. 60,00,000 in equity share of Rs.10 each. The following is the list of balances extracted from its books on 31<sup>st</sup> March 1989: 13 K4 CO2

Particulars	Amount (Rs)
Call – in- arrear	75,000
Premises	30,00,000
Plant and Machinery	33,00,000
Interim dividend paid on 1 <sup>st</sup> November 1988	3,92,500
Stock, 1 <sup>st</sup> April, 1988	7,50,000
Fixtures	72,000
Sundry debtors	8,70,000
Goodwill	2,50,000
Cash in hand	7,500
Cash at Bank	3,99,000
Purchases	18,50,000
Preliminary expenses	50,000
Wages	8,48,650
General expenses	68,350
Freight and carriage	1,31,150
Salaries	1,45,000
Directors fees	57,250
Bad debts	21,100

Debenture interest paid	1,80,000
Share capital	40,00,000
12% debentures	30,00,000
Profit and loss account (credit Balance)	2,62,500
Bills payable	3,70,000
Sundry creditors	4,00,000
Sales	41,50,000
General Reserve	2,50,000
Bad debts provision 1 <sup>st</sup> April 1988	35,000

Prepare trading and profit and loss account and Balance sheet in proper form after making the following adjustments :

- Depreciate plant and Machinery by 15%
- Write off Rs.5,000 from Preliminary expenses.
- Provide for half year's debenture interest due.
- Leave Bad and Doubtful Debts Provision at 5% on Sundry Debtors.
- Provide for Income Tax @ 50 %
- Stock on 31<sup>st</sup> March , 1989 was Rs.9,50,000

13. a) The Balance Sheet of Sriram Ltd., as on 31.12.2008 is as follows:

13 K2 CO3

Liabilities	Rs.	Assets	Rs.
Equity share capital	5,00,000	Land and buildings	6,00,000
Preference capital	2,00,000	Plant and machinery	5,00,000
Reserves and surplus	3,00,000	Stock in trade	2,40,000
Debentures	4,00,000	Sundry debtors	1,95,000
Sundry creditors	1,50,000	Cash in hand	60,000,
Bank overdraft	50,000	Prepaid expenses	5,000
	16,00,000		16,00,000

Calculate:

- Current Ratio
- Liquid Ratio
- Debt – equity Ratio
- Capital gearing Ratio
- Proprietary Ratio

**OR**

- b) From the following income statements of ABC Ltd., Prepare a Comparative Income Statement.

13 K2 CO3

Income Statements for the year ending 31<sup>st</sup> December 2001 and 2002

Liabilities	2001 Rs.	2002 Rs.	Assets	2001 Rs.	2002 Rs.
Equity Share capital	800	1200	Current Assets: Cash	236	20
Capital Reserve	120	220	Debtors	418	380
General Reserve	444	418	Stock	320	260
Sinking fund	80	100	Others	64	26
6% Debentures	400	650	Investments	540	340
Current	510	234	Fixed Assets:	18	36

Liabilities: Sundry creditors			Furniture less depreciation.		
Others liabilities	14	20	Building less depreciation	620	1572
			Land	40	60
			Other assets	112	148
	<b>2368</b>	<b>2842</b>		<b>2368</b>	<b>2842</b>

14. a) (i) Describe various types of cost 7 K2 CO4  
(ii) What is cost sheet? Give the format of a cost sheet. 6 K2 CO4

OR

- b) Current sales are 20,000 units per annum 13 K2 CO4  
Selling price is Rs.6 per unit  
Prime costs are Rs.3 per unit  
Variable overheads Rs.1 per unit  
Fixed costs are Rs. 30,000  
Calculate (i) P/V Ratio (ii) Break –even point and (iii) Margin of safety.

15. a) (i) Enumerate the advantages and limitations of budgetary control. 7 K4 CO5  
(ii) Explain the term Zero –base budgeting. 6 K2 CO5

OR

- b) (i) It is estimated that a product required 100 kgs of material at the rate of Rs.5 per kg. The actual consumption of material for manufacturing the same product came to 120 kgs at the rate of Rs.4.75 per kg. Calculate material cost variances. 7 K4 CO5  
(ii) Explain the different types of variance of cost. 6 K2 CO5

### PART - C (1 × 15 = 15 Marks)

(Compulsory)

16. a) Balance sheet of X and Y on 1.1.2001 and 31.12.2001 were as follow 15 K4 CO3  
Balance sheet

Liabilities	2000 Rs.	2001 Rs.	Assets	2000 Rs.	2001 Rs.
Creditors	40,000	44,000	Cash	10,000	7,000
Mrs X's loan	25,000	-	Debtors	30,000	50,000
Loan from Bank	40,000	50,000	Stock	35,000	25,000
Capital	1,25,000	1,53,000	Machinery	80,000	55,000
			Land	40,000	50,000
			Building	35,000	60,000
	<b>2,30,000</b>	<b>2,47,000</b>		<b>2,30,000</b>	<b>2,47,000</b>

During the year, a machine costing Rs.10,000 ( accumulated depreciation Rs.3,000) was sold for Rs. 5,000. The provision for depreciation against machinery as on 1.1.2001, was Rs.25,000 and on 31.12.2001. it was Rs.40,000. Net profit for the year 2001 amounted to Rs.45,000. You are required to prepare cash flow statement.