

Reg No.: \_\_\_\_\_

Name: \_\_\_\_\_

**APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY**  
First Semester MBA Degree Examination December 2021 (2020 scheme)

**Course Code: 20MBA111**

**Course Name: ACCOUNTING FOR MANAGERS**

Max. Marks: 60

Duration: 3 Hours

**PART A**

*Answer all questions. Each question carries 2 marks*

- |   |                                                                   | Marks |
|---|-------------------------------------------------------------------|-------|
| 1 | Explain double entry system.                                      | (2)   |
| 2 | What is EPS?                                                      | (2)   |
| 3 | How straight line method is different from a diminishing method ? | (2)   |
| 4 | What do you mean by Profit prior to incorporation ?               | (2)   |
| 5 | How to compute the material price variance                        | (2)   |

**PART B**

*Answer any 3 questions. Each question carries 10 marks*

- 6 What do you mean by Management Accounting? Explain the Scope of management accounting. (10)
- 7 From the following data relating to the manufacture of a standard product, prepare a Statement showing cost and profit per unit for the month of March 2020 (10)
- |                          |                          |  |
|--------------------------|--------------------------|--|
| Direct material consumed | Rs. 40,000               |  |
| Direct wages             | 24,000                   |  |
| Man hours worked         | 9,500 hours              |  |
| Man hour rate            | Rs.4 per hour            |  |
| Office Overheads         | 20% on works cost        |  |
| Selling Overheads        | Re. 1 per unit           |  |
| Units produced           | 20,000 units.            |  |
| Units sold               | 18,000 at Rs.10 per unit |  |
- 8 From the following information prepare a summarised Balance Sheet as on 31-03-2020. (10)
- (a) working capital Rs.2,40,000
- (b) Reserves and Surplus Rs.1,60,000

- (c) Bank overdraft Rs. 40,000  
 (d) Proprietary Ratio (Fixed Assets: Shareholders Fund) 0.75  
 (e) Current Ratio 2.5  
 (f) Liquid Ratio 1.5

- 9 Following are the Balance Sheets of X Ltd. as on 31-12-2019 and 31-03-2020. (10)  
 Prepare a Schedule of changes in Working Capital

Liabilities	31-03-2019	31-03-2020	Assets	31-03-2019	31-03-2020
Share capital	5,00,000	5,00,000	Land and Building	3,00,000	2,80,000
Reserves	20,000	30,000	Plant and Machinery	2,20,000	3,90,000
Profit and Loss Account	35,000	95,000	Stock in Trade	1,20,000	1,40,000
Mortgage Loan (Long-term)	1,00,000	1,50,000	Sundry Debtors	60,000	45,000
Sundry Creditors	90,000	1,25,000	Prepaid Expenses	10,000	25,000
Bills payable	30,000	25,000	Cash at Bank	70,000	50,000
Outstanding Expenses	25,000	35,000	Cash in Hand	20,000	30,000
	<u>8,00,000</u>	<u>9,60,000</u>		<u>8,00,000</u>	<u>9,60,000</u>
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- 10 From the following figures taken from the books of T Anand, prepare Trading, Profit and Loss Account for the year ended 31<sup>st</sup> December 2018 and a Balance Sheet as on that date after making adjustments. (10)

Debit balances	Rs.	Credit balances	Rs.
Purchases	1,20,500	Capital	52,000
Stock on 1-1-2018	21,500	Sales	1,86,000
Salaries	14,000	Sundry creditors	10,900
Rent & taxes	3,000		
Insurance	800		
General expenses	3,100		
Wages	25,000		
Machinery	31,000		
Sundry debtors	20,000		
Cash at bank	3,000		
Drawings	7,000		

**Adjustments:**

1. Salaries for the month of December still unpaid 1,600
2. Insurance prepaid to the extent of Rs.250
3. Depreciate Machinery by 10%
4. Closing stock was valued at Rs. 26,000

**PART C****Compulsory question carrying 20 marks**

- 11 The turnover and profits of the two years were as follows:

(20)

Particulars	Sales units	Profit/Loss (Rs.)
I Year	8,000	15,000(Loss)
II Year	10,000	15,000(Profit)

The Selling price per unit is Rs.120

Calculate:

- (1) P/V Ratio
- (2) Fixed Cost
- (3) Sales at Break-Even Point
- (4) The number of units to be sold to earn a profit of Rs.45,000
- (5) Profit when sales are 30,000 units
- (6) New Break-Even Sales, if selling price is reduced by 10%.

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