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[3675] - 102

M.B.A. (Sem. - I)

Nov. 2009

(102) : MANAGEMENT ACCOUNTING

(2008 Pattern)

Time : 3 Hours]

[Max. Marks : 70

Instructions to the candidates:

- 1) Attempt any four Questions from section I.
- 2) Attempt any two questions from section II.
- 3) Figures to the right indicate full marks.
- 4) Use of non programmable, portable, electronic calculator is allowed.

**SECTION - I**

Q1) Differentiate between Management Accounting and Financial Accounting? [10]

Q2) Why a Journal is called as "Book of original Entry"? Explain the rules for recording the real, personal &amp; nominal accounts in the Journal? [10]

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Q3) What is a Trial Balance? What are the objects of preparing it? [10]

Q4) What is a 'Budget'? What are different types of budgets? Explain. [10]

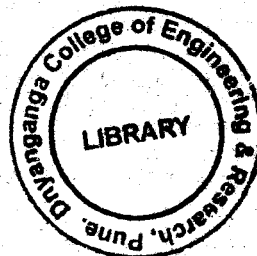
Q5) Explain the following: [10]

- a) Cash discount.
- b) Revenue expenditure.
- c) Ledger.

Q6) Explain the concept of overheads. State the causes of under &amp; over absorption of factory overheads. [10]

Q7) Write short notes on [any two]: [10]

- a) Balance Sheet.
- b) Tangible & Intangible Assets
- c) Labour Turnover.



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**SECTION - II**

**Q8)** From the following details of store receipts & issues of material "Alpha" in a mfg. unit, prepare the store ledger using weighted average method of valuing the issues. **[15]**

November	1	opening stock 2,000 units @ Rs. 5 each.
	3	issued 1500 units to production.
	4	received 4,500 units @ Rs. 6 each.
	8	issued 1600 units to production.
	9	returned to stores 100 units by production deptt (from issues of Nov. 3)
	16	received 2400 units @ Rs. 6.50 each.
	19	returned to supplier 200 units out of quantity received on Nov. 4
	20	received 1,000 units @ Rs. 7 each.
	24	issued to production 2100 units.
	27	received 1,200 units @ Rs. 7.50 each.
	29	issued to production 2800 units.

**Q9)** Calculate Prime cost, Factory cost, cost of Production, cost of Sales & Profit from the following particulars. **[15]**

	Rs.		Rs.
Direct materials	1,00,000	Depreciation:	
Direct wages	30,000	factory	500
		office	1,250
Wages of foreman	2,500	Stores Consumable	2,500
Electric power	500	Manager's salary	5,000
Lighting: factory	1,500	Director's Fees	1,250
office	500	Office stationery	500
Storekeepers wages	1,000	Telephone charges	125
Oil & Water	500	Postage	250
Rent : factory	5,000	Salesman Salary	1,250
office	2,500	Travelling expenses	500
Repairs & Renewals		Advertising	1,250
factory	3,500		
office	500	Warehouse charges	500
Transfer to Reserves	1,000	Sales	1,89,500
Discount on shares		Carriage outwards	375
written off	500	Income Tax	10,000
		Dividend	2,000

**Q10)** From the following Trial balance of Shri. Haribhau & additional Information, Prepare Trading, P & L A/c for the year ended 31<sup>st</sup> March 2009 & Balance Sheet as on that date. **[15]**

Trial Balance as at 31 - 03 - 2009

Heads of Accounts	Debit (Rs.)	Credit (Rs.)
Capital		1,00,000
Furniture	20,000	
Purchases	1,50,000	
Debtors	2,00,000	
Interest Earned		4,000
Salaries	30,000	
Sales		3,21,000
Purchase Returns		5,000
Wages	20,000	
Rent	15,000	
Sales Return	10,000	
Bad Debts written off	7,000	
Creditors		1,20,000
Drawings	24,000	
Provision for Bad Debt		6,000
Printing & Stationery	8,000	
Insurance	12,000	
Opening stock	50,000	
Office Expenses	12,000	
Provision for Depreciation		2,000
	<b>5, 58, 000</b>	<b>5, 58, 000</b>

Additional Information:

- 1) Depreciate furniture by 10% on original cost.
- 2) A Provision for Doubtful Debts needs to be created to the extent of 5% of sundry debtors.
- 3) Salaries for the month of march 2009 amounting to Rs. 3,000 were unpaid which must be provided for.

However, salaries included Rs 2,000 paid in advance.

- 4) Insurance premia amounting to Rs 2,000 is prepaid.
- 5) Provide for outstanding office expenses Rs. 8,000/-
- 6) Stock used for private purpose Rs. 6,000
- 7) Closing stock - in- Trade Rs. 6,000.

**Q11) Explain the significance of 'Break Even point'.**

**[3]**

**&**

From the following particulars calculate.

- 1) Contribution    2) P/V ratio    3) BEP in "units" & in "Rupees" &  
4) What will be the selling price per unit if BEP is brought down to 25,000  
units? **[12]**

Fixed Expenses	Rs. 1,50,000
Variable cost per unit	Rs. 10
Selling price per unit	Rs. 15



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