

Roll No.

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Total No. of Pages : 03

Total No. of Questions : 15

MBA / MBA(IB) (2012 & onward) (Sem.-1)

ACCOUNTING FOR MANAGEMENT

Subject Code : MBA-103

Paper ID : [C0103]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. **SECTION-A contains SIX questions carrying FIVE marks each and students has to attempt any FOUR questions.**
2. **SECTIONS-B consists of FOUR Subsections : Units-I, II, III & IV. Each Subsection contains TWO questions each carrying EIGHT marks each and student has to attempt any ONE question from each Subsection.**
3. **SECTION-C is COMPULSORY and consists of ONE question carrying EIGHT marks.**

SECTION-A

1. What is the role of accountant in any organization?
2. What are the advantages of cost accounting?
3. How fund flow statements differ from cash flow statement?
4. Define kaizen costing.
5. Define marginal costing.
6. What do you mean by tally software package?

SECTION-B

UNIT-I

7. Why accounting is considered as information system .Discuss in detail relevance of concepts and conventions for preparation of financial statement and its evolution.
8. Discuss in detail with the help of example how to prepare final account for insurance and banking companies.

UNIT-II

9. From the following information prepare balance sheet with maximum detail possible :

Current Ratio	5:1
Liquid Ratio	2:1
Fixed Asset to Proprietary' fund	0.80
Working Capital	Rs.200000
Reserve and surplus	Rs.100000
Bank overdraft	Rs.20000

10. Discuss in detail with the help of example, how to prepare schedule of changes in working capital and statement of sources and application of funds.

UNIT-III

11. What do you mean by marginal costing? Discuss in detail managerial applications marginal costing.
12. Calculate direct labour cost variance with the help of following data.

Standard Output	120 units
Standard rate per hour	Rs.3
Standard time per unit	2 hrs
Actual Output	100 units
Actual rate per hour	Rs.5
Total actual time taken	150 hrs

UNIT-IV

13. ABC manufacturing company has three accounts clerks responsible for processing purchase invoices. Each clerks is paid a salary of Rs.3,00,000 p.a. and is capable of processing 5000 invoices per year (working efficiently). In addition to the salary the company spends RS. 90,000 per year for forms, postage etc. (assuming that 15000 invoices are processed). During the year 12,500 invoices were processed. You are required to calculate :
1. Calculate the activity rate for the purchase order activity. Break this activity into fixed and variable components.
 2. Compute the total activity availability and Break this activity into used activity and unused activity.
 3. Calculate the total cost of resources supplied and break this into activity into used activity and unused activity

14. Write down the following :

1. Life cycle costing.
2. Tally software package in accounting

SECTION-C

15. A company has two divisions, A and B. Division, A manufactures a component which is used by division B to produce a finished product. For the next period, output and costs have been budgeted as follows :

	Division A	Division B
Component units	50,000	-
Finished units	-	50,000
Total variable costs	Rs 2,50,000	Rs. 6,00,000
Fixed costs	Rs. 1,50,000	Rs. 2,00,000

The fixed costs are separable for each division. You are required to advise on the transfer price to be fixed for Division A's component under the following circumstances.

1. Division A can sell the component in a competitive market for Rs. 10 per unit. Division B can also purchase the component from the open market at that price.
2. As per the situation described in (1) above, and further assume that Division B currently buys the component from an external supplier at the market price of Rs. 10 and there is reciprocal agreement between the external supplier and another Division C, within the group. Under this agreement the external supplier agrees to buy one product unit from Division C, at the profit Rs. 4 per unit to that division, for every component which division B buys from the supplier.