Roll No. | | | | | | | | | | | | | **Total No. of Pages: 03**

Total No. of Questions: 15

MBA / MBA(IB) (2012 Onwards) (Sem. – 1)

ACCOUNTING FOR MANAGEMENT

M Code: 49003

Subject Code: MBA-103

Paper ID: [C0103]

Time: 3 Hrs. **Max. Marks: 60**

INSTRUCTIONS TO CANDIDATES:

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

SECTION A

1. Write short notes on fundamental accounting assumptions.
2. Explain the need for analysis of financial statements.
3. Explain the significance of current ratio.
4. What are the comparative financial statements? How are they prepared?
5. How do you compute the cash from operations?
6. Define and explain the term 'backlog depreciation' in context of inflation accounting.

SECTION B

Subsection - I

7. What is Managerial Accounting? Discuss its usefulness for decision making and control.
8. Distinguish between accounting concepts and conventions. Discuss, in brief, any six concepts of accounting.

Subsection - II

9. The following are the ratio of XYZ Ltd.

Debtors velocity	03 months
Creditors velocity	02 months
Stock velocity	08 months
Gross profit ratio	25%

Gross profit for the year ended 3l March 2012 amounted to Rs. 400000. Closing stock of the year is Rs. 10000 more than opening stock. B/R amount to Rs. 25000 and B/P are Rs. 10000. Assume all sales and purchases are on credit basis.

Find out: a) Sales, b) Closing stock, c) Sundry debtors, and d) Sundry creditors.

10. Define the cash flow statement and analyze its uses. Briefly explain the classification of activities as per AS-3 for the preparation of cash flow statement.

Subsection - III

11. “Break even analysis is based on a simplified model of a business which is unrealistic”. Explain and give your views.

12. A manufacturing concern which adopted standard costing furnishes the following details: Standard material for 70 Kgs of finished product: 100 kgs and price of material: Rs. 1 per kg. Actual output = 210000 kgs, material used = 280000 kgs, and cost of material = Rs. 252000. Calculate a) Material usage variance, b) Material price variance, and c) Material cost variance.

Subsection - IV

13. What are the uses of Human Resource Accounting in managerial decision making? Discuss the arguments for and against the inclusion of the values of human assets in external reporting.

14. What is activity-based costing? Explain how does it differ from traditional value-based accounting? Illustrate your answer.

SECTION C

(Compulsory)

15. Alfa Ltd, a manufacturer has planned his level of operation at 50% of his plant capacity of 30000 units. His expenses are estimated as follows, if 50% of the plant capacity is utilized:

Particulars	**Rs.**
Direct materials	8280
Direct wages	11160
Variable and other manufacturing expenses	3960
Total fixed expenses irrespective of capacity utilization	6000

The expected selling price in the domestic market is Rs. 2 per unit. Recently the manufacturer has received a trade enquiry from overseas organization interested in purchasing 6000 units at a price of Rs. 1.45 per unit. As a professionally trained account, what would be your suggestion regarding acceptance or rejection of the offer? Support your suggestion with suitable quantitative information.