

# MP-103

June – Examination 2022

## Master of Business Administration (I Year) Examination

Accounting for Managers

Paper : MP-103

Time : 1½ Hours ]

[ Maximum Marks : 80

**Note** :- The question paper is divided into two Sections A and B. Write answers as per the given instructions.

**Section-A** **4×4=16**

**(Very Short Answer Type Questions)**

**Note** :- Answer any *four* questions. As per the nature of the question delimit your answer in one word, one sentence or maximum up to **30** words. Each question carries 4 marks.

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( 1 )

**T-491** Turn Over

1. (i) What are the objectives of Accounting ?
- (ii) What is the Materiality Convention ?
- (iii) What do you mean by Posting in Ledger ?
- (iv) What is the purpose of Cost Accounting ?
- (v) What do you understand by term 'Margin of Safety' ?
- (vi) What is Process Costing ?
- (vii) What is the meaning of Zero Base Budgeting ?
- (viii) What is Ratio Analysis ?

**Section-B** **4×16=64**

**(Short Answer Type Questions)**

**Note** :- Answer any *four* questions. Each answer should not exceed **200** words. Each question carries 16 marks.

2. What are the scope of Accounting ? How Financial Accounting is different from Management Accounting ?

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( 2 )

**T-491**

3. Explain any *eight* concepts of Accounting.
4. Journalise the below mentioned transaction and post them in ledger :

**Oct.**

<b>2022</b>	₹
1 Started Business with Cash	80,000
3 Purchased Goods from P on Cash	30,000
4 Sold goods to T	40,000
7 Received Discount	5,000
10 Paid Stationery	7,000
14 Received Cash from T	30,000
18 Purchased Furniture	10,000
20 Deposited in Bank	20,000

5. What is the nature, object and advantages of Cost Accounting ?

6. From the following information given by a manufacturing company which manufactures a product. You are required to prepare process account :

	Process I	Process II	Process III
	(₹)	(₹)	(₹)
Direct Material	30,000	7,500	7,500
Direct Wages	22,500	15,000	15,000
Closing Stock	7,500	8,700	21,300

Finished goods sold for ₹ 1,30,000. Value of closing finished stock ₹ 5,612. It is the policy of the company to charge 20% on transfer price or 25% on cost price while transferring the goods from Process I to Process II and 20% on cost price from Process II to Process III to finished stocks.

7. From the following balance sheet of JRVS Ltd.,  
make out :

(i) Statement of changes in working capital

(ii) Fund Flow Statement

**Balance Sheet**

<b>Liabilities</b>	<b>2020</b>	<b>2021</b>
	<b>(₹)</b>	<b>(₹)</b>
Equity Share Capital	3,00,000	3,00,000
Redeemable Preference Share	1,50,000	1,00,000
General Reserve	1,40,000	70,000
Profit and Loss	30,000	48,000
Proposed Dividend	42,000	50,000
Creditors	55,000	83,000
Bills Payables	20,000	16,000
Provision for Taxation	40,000	50,000
	<b>6,77,000</b>	<b>7,17,000</b>

<b>Assets</b>	<b>2020</b>	<b>2021</b>
	<b>(₹)</b>	<b>(₹)</b>
Goodwill	1,15,000	90,000
Land and Building	2,00,000	1,70,000
Plant	1,60,000	1,00,000
Debtors	77,000	1,09,000
Stock	80,000	2,00,000
Bills Receivables	20,000	30,000
Cash in Hand	15,000	10,000
Cash at Bank	10,000	8,000
	<b>6,77,000</b>	<b>7,17,000</b>

**Additional Information :**

- Depreciation of ₹ 10,000 and ₹ 20,000 have been charged on plant and land and building respectively in 2021.
- A dividend of ₹ 20,000 has been paid in 2021.
- Income tax of ₹ 35,000 has been paid during 2021.

8. What do you know about Marginal Costing ?  
What is the role of marginal costing in business decision-making ? Discuss.
9. What is Budgetary Control ? What are the essentials for the success of budgetary control ?