



Sanjay Ghodawat University, Kolhapur
Established as State Private University under Govt. of Maharashtra. Act No XL, 2017
2018-19 EXM/P/09/01

Year and Program: 2018-19 **School of Commerce & Management** **Department of (FY) MBA**
Course Code: MMC503 **Course Title:** Accounting for Managers **Semester – I**
Day and Date **End Semester Examination** **Time: 3 hrs Max Marks: 100**
Wed. 21/11/2018 **(ESE)**

Instructions:
1) All questions are compulsory.
2) Figures to the right indicate full marks.

| Q.1 | Solve the following | Marks | Bloom's Level | CO |
|-----|---|-------|----------------|-----|
| a) | Explain any two conventions of accounting. | 07 | L ₁ | CO1 |
| OR | | | | |
| a) | Explain Money Measurement Concept and Dual Aspect Concept of Accounting. | 07 | L ₁ | CO1 |
| b) | Mr. P has the following transactions in the month of July. Record them into the journals. | | | |
| | 1 st : Purchased goods from Manu on credit 25,000 | | | |
| | 2 nd : Sold goods to Sonu 20,000 | | | |
| | 3 rd : Purchased goods from Meenu 15,000 | | | |
| | 4 th : Sold goods to Tanu for cash 16,000 | 08 | L ₂ | CO2 |
| | 5 th : Goods returned to Manu 2,000 | | | |
| | 6 th : Bought furniture for 15,000 | | | |
| | 15 th : Bought machinery for 18,000 | | | |
| | 16 th : Sold part of the furniture for 1,000 | | | |

OR

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- b) Following is the trail balance of PN trading. Prepare final a/c for the 31/3/2018 after considering following adjustments

| Dr Trial Balance | | Cr | |
|---------------------|--------|-----------------|----------|
| Particulars | ₹ | Particulars | ₹ |
| Opening Stock | 40,000 | Bills Payable | 20,100 |
| Debtors | 38,000 | Purchase Return | 2,500 |
| Purchases | 40,000 | Creditors | 21,500 |
| Wages | 8,500 | Sales | 90,000 |
| Salary | 2,700 | R.D.D | 400 |
| Office Expenses | 2445 | Capital | 1,00,000 |
| Insurance | 1300 | | |
| Machinery | 40,000 | | |
| Rent | 1,800 | | |
| Travelling Expenses | 1,400 | | |
| Sales Return | 3,500 | | |
| Land & Building | 44,800 | | |
| Bills Receivables | 4000 | | |

08 L₂ CO2

| | | | |
|-------|----------|-------|----------|
| Bank | 6055 | | |
| | | | |
| Total | 2,34,500 | Total | 2,34,500 |

Adjustments:

- Closing stock valued as 27000
- Prepaid Insurance ₹ 200
- Maintain R.D.D at 2% of Debtors
- Provide 5% depreciation on Machinery

Q2

Solve the following

a)

On 31st July, 2008 a company purchased a machine for Rs 5,00,000 and spent Rs 20,000 on its installation. It decided to provide depreciation @ 10% per annum, using straight line method. On 30th November, 2012 the machine was dismantled at a cost of Rs 10,000 and then sold for Rs 90,000.

On 1st December, 2012 the company acquired and put into operation a new machine at a total cost of Rs 8,00,000.

Depreciation was provided on the new machine on the same basis as had been used in the case of the earlier machine.

The company closes its books of account every year on 31st March.

Prepare Machinery Account & Depreciation Account for

07

L₃

CO3

year ended 31 March 2013.

OR

- a) The Balance Sheet of Punjab Auto Limited as on 31-12-2018 was as follows:

| Liabilities | Amt | Assets | Amt |
|----------------------|----------|--------------------------|----------|
| Equity Share Capital | 40,000 | Plant and Machinery | 24,000 |
| Capital Reserve | 8000 | Land and Buildings | 40,000 |
| 8% Loan on Mortgage | 32,000 | Furniture & Fixtures | 16,000 |
| Creditors | 16,000 | Stock | 12,000 |
| Bank overdraft | 4000 | Debtors | 12,000 |
| Taxation: | | Investments (Short-term) | 4000 |
| Current | 4000 | Cash in hand | 12,000 |
| Future | 4000 | | |
| Profit and Loss A/c | 12000 | | |
| Total | 1,20,000 | Total | 1,20,000 |

07 L₃ CO3

From the above, compute (a) the Current Ratio, (b) Quick Ratio, (c) Debt-Equity Ratio, and (d) Proprietary Ratio

- b) Explain IFRS & its applications

08 L₃ CO4

OR

- b) Explain Disclosure of Fixed Assets.(As10)

08 L₃ CO4

Q.3

Solve any Two

- a) Explain limitations of Management Accounting. 08 L₂ CO1
- b) On April 01, 2018 NP started business with Rs. 100,000 and furniture of Rs 50,000 other transactions for the month are:
 2. Purchase Furniture for Cash Rs. 7,000.
 8. Purchase Goods for Cash Rs. 2,000 and for Credit Rs. 1,000 from Khalid Retail Store.
 14. Sold Goods to Khan Brothers Rs. 12,000 and Cash Sales Rs. 5,000.
 18. Owner withdrew of worth Rs. 2,000 for personal use. 08 L₂ CO2
 22. Paid Khalid Retail Store Rs. 500.
 26. Received Rs. 10,000 from Khan Brothers and received trade discount of 5%.
 30. Paid Salaries Expense Rs. 2,000
 Journalize the above transactions and prepare ledger only for capital account.
- c) The Balance Sheet of PQ Limited as on 31-12-2018 was as follows:

| Liabilities | Amt | Assets | Amt |
|------------------|----------|-------------------|----------|
| Share Capital | 2,00,000 | Land & building | 1,40,000 |
| Profit | 30,000 | Plant & Machinery | 3,50,000 |
| General Reserves | 40,000 | Stock | 2,00,000 |
| 12 % Debentures | 4,20,000 | Sundry Debtors | 1,00,000 |
| Sundry Creditors | 1,00,000 | Bills Receivable | 10,000 |
| Bills Payable | 50,000 | Cash at bank | 40,000 |
| Total | 8,40,000 | Total | 8,40,000 |

08 L₂ CO3

Calculate:

1. Quick Ratio
2. Current Ratio
3. Inventory to working Capital Ratio

| | | | | |
|-------------------------|---|----|----------------|-----|
| 4. Debt to Equity Ratio | | | | |
| d) | Explain the limitations of IFRS. | 08 | L ₂ | CO4 |
| Q.4 | Solve any Two | | | |
| a) | Explain Cost Accounting and its advantages. | 09 | L ₃ | CO5 |
| b) | From the following information prepare statement of showing | | | |
| | Material Consumed, Prime Cost, Cost Of Production, Total Cost And Net Profit. | | | |
| | Stock of raw material (1/1/18) ₹ 24,000 | | | |
| | Purchase of raw material ₹ 92000 | | | |
| | Stock of raw material (31/12/18) ₹ 31400 | | | |
| | Counting house salary ₹ 6000 | | | |
| | Carriage inward ₹ 2300 | | | |
| | Drawing office salary ₹ 3200 | | | |
| | Carriage outward ₹ 2100 | | | |
| | Rent, rates & insurance (factory) ₹ 4200 | 09 | L ₃ | CO5 |
| | Bad debts written off ₹ 2000 | | | |
| | Office rent, rates, taxes ₹ 1500 | | | |
| | Maintenance of delivery van ₹ 2000 | | | |
| | Dep. W/ off on plant & machinery ₹ 3200 | | | |
| | Productive wages ₹ 60500 | | | |
| | Factory gas & water ₹ 800 | | | |
| | Office gas & water ₹ 300 | | | |
| | Dep. Written off on office furniture ₹ 150 | | | |
| | Travelers salary & commission ₹ 2400 | | | |
| | Printing & stationary ₹ 1200 | | | |

Office telephone charges ₹ 1200

Factory telephone charges ₹ 800

Advertisement & samples ₹ 2000

Rent of warehouse ₹ 800

Sales ₹ 5,00,000

c) Prepare Cost sheet

Material consumed Rs.60,000

Productive wages Rs.20,000

Direct Expenses Rs.5,000

Consumable stores Rs.2,000

Oil grease/Lubricating Rs. 500

Salary of a factory manager Rs. 6,000

Unproductive wages Rs.1,000

Factory rent Rs.2,000

Repair and Depreciation on Machine Rs.600

09 L₃ CO5

Q.5

Solve any Two

- a) A manufacturer produces 1500 units of products annually. The marginal cost of each product is Rs. 960 and the product is sold for Rs. 1200. Fixed cost incurred by the company is Rs. 48, 000 annually. Calculate P/V Ratio and what would be the break-even point in terms of output and in terms of sales value?

09 L₃ CO6

- b) From the following information, calculate Break-even point and Sales to earn profit of Rs. 2, 40, 000.

Particulars Rs.

Sales 8, 00, 000

09 L₃ CO6

Fixed cost 3, 60, 000

Variable cost 5, 60,000

- c) Sales turnover & profit of XY Company

09 L₃ CO6

2017 Sales ₹50,00,000 Profit ₹6,00,000

2018 Sales ₹60,00,000 Profit ₹8,00,000

Calculate 1. P/V ratio

2. Sales to earn a profit of ₹10,00,000

3. Profit when sales are ₹80,00,000

Q.6

Solve any Three

- | | | | |
|---|----|----------------|-----|
| a) Explain limitations of Cost accounting | 06 | L ₂ | CO5 |
| b) Explain Direct & Indirect Cost | 06 | L ₂ | CO5 |
| c) Explain installation of budgetary control | 06 | L ₂ | CO6 |
| d) Explain Marginal costing and show the standard format of Marginal costing. | 06 | L ₂ | CO6 |
