Roll No. …………………..

MS–102

Accounting for Managers

Master of Business Administration/Diploma in Management (M. B. A./DIM-16/17)

First Semester, Examination, 2018

Time : 3 Hours **Max. Marks : 80**

Note : This paper is of **eighty (80)** marks containing **three (03)** Sections A, B and C. Learners are required to attempt the questions contained in these Sections according to the detailed instructions given therein.

Section–A

(Long Answer Type Questions)

Note : Section 'A' contains four (04) long answer type questions of nineteen (19) marks each. Learners are required to answer *two* (02) questions only.

1. What do you understand by Accounting Concepts ? Explain any *four* concepts in detail.
2. What do you mean by Trial Balance ? Explain the errors which are disclosed and not disclosed by the Trial Balance.

3. From the following particulars, prepare a Trading Account, Profit & Loss Account and Balance Sheet of M/s. Rohan Stores :

	₹
Opening Stock	50,000
Purchases	1,60,000
Wages	90,000
Salary	50,000
Rent	15,000
Telephone Expenses	5,000
Cash	30,000
Land and Building	7,00,000
Furniture	1,00,000
Debtors	80,000
Bills Receivable	20,000
	13,00,000

	₹
Sales	4,00,000
Commission Received	20,000
Capital	8,00,000
Creditors	70,000
Bills Payable	10,000
	13,00,000

Additional Information :

(i) Closing Stock is ₹ 1,00,000.

(ii) Depreciation on Building 10% and Furniture @ 15% per annum.

(iii) Outstanding Wage ₹ 10,000 and Salary ₹ 5,000.

(iv) Prepaid rent ₹ 5,000.

(v) Bad Debts ₹ 2,000.

4. Standard Mix for a product is :

Material	Standard Quantity (tons)	Standard Rate (₹)	Actual Quantity (tons)	Actual Rate (₹)
A	50	5.00	80	4.00
B	40	10.00	70	8.00

Calculate Material Cost Variance and Reconcile it by calculating Material Price Variance, Material Use Variance and Material Mix Variance etc.

Section–B

(Short Answer Type Questions)

Note : Section 'B' contains eight (08) short answer type questions of eight (8) marks each. Learners are required to answer *four* (04) questions only.

1. Distinguish between Financial Accounting and Cost Accounting.
2. What is Cash Budget ? How is it prepared ?
3. Write a short note on Double Entry System.

4. What ratios would you use to measure the solvency of a concern ?
5. What do you mean by Grouping or Marshalling used in connections with the Balance Sheet of a business ?
6. Briefly present the importance of Margin of Safety.
7. Given :

Current Ratio	2.8 : 1
Liquid Ratio	1.5 : 1
Working Capital	₹ 1,62,000

Find out : Current Assets, Current Liabilities and Liquid Assets.

8. The following data relate to a firm :

	₹
Sales (16000 units @ ₹ 15)	2,40,000
Variable Cost	1,92,000
Contribution	48,000
Fixed Expenses	36,000
Profit	12,000

Calculate the following :

(a) Break-even point of the business.

(b) Sale to earn an estimated profit of ₹ 12,000.

Section–C

(Objective Type Questions)

Note : Section 'C' contains ten (10) objective type questions of one (01) mark each. All the questions of this Section are compulsory.

Write True/False against the following :

1. Suspense Account is a Temporary Account.

2. All incomes and gains are debited in recording the journal entries.
3. Contribution = Sales – Variable Cost.
4. Current Assets – Current Liabilities = Owner's Equity
5. Gross Profit Ratio is Solvency Ratio.

Choose the correct alternative :

6. Which of the following is not a current asset ?
   - (a) Stock
   - (b) Bills Receivable
   - (c) Bank Overdraft
   - (d) Cash
7. Which of the following is not a real account ?
   - (a) Building
   - (b) Stock
   - (c) Cash
   - (d) Capital
8. Under which convention accountant provides for anticipated losses, but not for anticipated profits ?
   - (a) Convention of Conservatism
   - (b) Convention of Consistency
   - (c) Convention of Materiality
   - (d) Convention of Full Disclosure
9. Ideal liquid ratio is :
   - (a) 2 : 1
   - (b) 1 : 1
   - (c) 0.5 : 1
   - (d) 0.25 : 1

10. Material Price Variance =
    (a) Standard Price – Actual Price
    (b) (Standard Price – Actual Price) × Standard Quantity
    (c) (Standard Price + Actual Price)/2
    (d) (Standard Price – Actual Price) × Actual Quantity