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**Roll No. -----**

## **MS-102**

### **Accounting for Managers**

Master of Business Administration/Diploma in Management

(MBA/DIM-16/17)

1<sup>st</sup> Semester, Examination June 2022

Time: 2 Hours

Max. Marks: 80

Note : This paper is of Eighty (80) marks divided into two (02) Sections A and B. Attempt the questions contained in these sections according to the detailed instructions given therein.

### **Section – A**

(Long Answer – type questions)

Note: Section 'A' contains Five (05) long-answer-type questions of Twenty (20) marks each. Learners are required to answer any two (02) questions only.

[2 x 20 = 40]

P.T.O.

- Q.1. "Trial Balance is not conclusive evidence as to the absolute accuracy of accounts". Do you agree with this statement? If yes, why?
- Q.2. Explain normal wastage, abnormal wastage and abnormal gain. How they should be dealt with in process cost accounts?
- Q.3. Define management Accounting. How does it differ from financial and cost accounting? Discuss the utility of management accounting in modern business.
- Q.4. Prepare final Accounts of P. Brothers for the year ending 31<sup>st</sup> March 2018 from the following data.

Particulars	Dr (Rs.)	Cr. (Rs.)
Capital	----	55,310
Purchase and Sales	70,007	82,500
Cash in Hand	8,708	----
Debtors and Creditors	21,300	20,625
Bad debts	300	----
Depreciation	1,800	----
Furniture	4,500	----
Office Expenses	700	----
Outstanding Salary	----	785
Machinery	25,000	----
Provision for Bad Debts	----	1,200
Salary	3,000	----
Sales Returns	505	----
Opening Stock	24,600	----
Total	1,60,420	1,60,420

P.T.O.

Adjustments:

1. Closing Stock Rs. 21,499
2. Credit purchase of Rs. 4,200 has not been recorded
3. Write Off Rs. 300 for Bad Debt and make a provision of Rs. 1,000 for bad and doubtful debts.
4. Purchase of furniture of Rs. 2,000 has been recorded in Purchase book by mistake.

Q.5. Following are the data provided by a business concern:

Annual Sales	Rs. 2,00,000
Percentage of Gross Profit on Sales	16%
Average Stock	Rs. 14,000
Current Liabilities	Rs. 16,000
Current Ratio	250%
Closing Stock	Rs. 12,000
Receivable at end	Rs. 24,000

Find out:

- (A) Stock Turnover
- (B) Receivable Turnover
- (C) Acid Test Ratio
- (D) Current Assets Turnover
- (E) Average Collection Period in months.

P.T.O.

## **Section – B**

### **(Short-answer-type questions)**

Note: Section 'B' contains Eight (08) short-answer-type questions of Ten (10) marks each. Learners are required to answer any Four (04) questions only.

[4 x 10 = 40]

- Q.1. Differentiate between Cash discount and Trade discount.
- Q.2. Write a short note on Going Concern concept of accounting.
- Q.3. Why we charge depreciation on assets? How is it determined?
- Q.4. Distinguish between Current assets and Fixed assets.
- Q.5. What are the elements of costs? Discuss.
- Q.6. What is meant by flexible budget? How is it prepared?
- Q.7. Briefly describe Break Even Point, Contribution and Margin of safety.
- Q.8. Describe and illustrate the principal liquidity ratios computed by a modern business firm.