MBA 1st Semester Examination
June 2014
Subject- Accounting for Managers
Subject Code - MSL 509

Time Allowed: 03 hours. Maximum Marks: 100

Before answering the question paper the candidate should ensure that they have been supplied the correct question paper. Complaints in this regard, if any, shall not be entertained after the examination.

Note: All questions carry equal marks. Ques. No. 1 is Compulsory and attempt two questions from each section.

1. a) Define Business Entity Concept.
   b) What is Depreciation?
   c) What is Financial Statement Analysis?
   d) What is Cost Sheet? [5x4=20]

SECTION – A

2. “Accounting is the language of Business.” Comment and discuss the meaning, objectives and advantages of accounting. [20]

3. Journalise the following transactions and Prepare Ledger Posting: [20]
   a) July -1, 2011 Opened a bank account Rs 50,000
   b) July-5, Purchased goods for Cash Rs 5,000.
   c) July -10, Purchased machinery from A Rs 15,000.
   d) Paid wages Rs 500.
   e) Goods sold to B for Cash Rs 2,000.
   f) Paid electricity bill Rs 200.
   g) Paid to A on account Rs 5,000.
   h) Sold old newspaper Rs 50.

4. From the following figures, Compute [20]
   (i) Liquidity ratio (ii) Current ratio. (iii) Fixed asset ratio. (iv) Debt equity ratio.

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th>Amount (Rs)</th>
<th>ASSETS</th>
<th>AMOUNT (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Share Capital</td>
<td>5,00,000</td>
<td>Fixed Assets</td>
<td>6,00,000</td>
</tr>
<tr>
<td>Fixed Liabilities</td>
<td>2,50,000</td>
<td>Liquid Assets</td>
<td>3,00,000</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>2,50,000</td>
<td>Stock</td>
<td>1,00,000</td>
</tr>
<tr>
<td>10,00,000</td>
<td></td>
<td>10,00,000</td>
<td></td>
</tr>
</tbody>
</table>

SECTION – B

5. (a) What is Cost Accounting? Discuss the advantages of Cost Accounting. [10]
   (b) Prepare a Cost Sheet with Profit from the following particulars. [10]

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Product ‘A’ (Rs.)</th>
<th>Particulars</th>
<th>Product ‘A’ (Rs.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Material</td>
<td>50,000</td>
<td>Office Overheads</td>
<td>10,000</td>
</tr>
<tr>
<td>Direct Labour</td>
<td>30,000</td>
<td>Selling Overheads</td>
<td>20,000</td>
</tr>
<tr>
<td>Direct Expenses</td>
<td>25,000</td>
<td>Sales</td>
<td>3,00,000</td>
</tr>
<tr>
<td>Factory Overheads</td>
<td>55,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

6. What is Budgetary Control? Explain the steps required in Budgetary Control. [20]