MBA 1st Semester Examination
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: Attempt any five questions and all questions carry equal marks.

Section – A

1. (A) Explain the following Concepts:
   (a) Money Measurement Concept   (b) Accounting Period Concept
   (c) Going Concern Concept   (d) Historical Cost Concept

   (B) Distinguish between:
   (a) Capital and Revenue Expenditure
   (b) Capital and Revenue Receipts

3. Pass journal entries and posted them in Ledger.
   Manu started business with cash………… Rs. 50,000
   Purchased goods for cash………………… Rs. 4,000
   Purchased goods for credit……………….. Rs. 1,000
   Purchased Furniture……………………… Rs. 500
   Paid Rent………………………………… Rs. 200
   Withdrew for private use………………….. Rs. 700
   Received Interest………………………… Rs. 100
   Sold goods on credit (cost Rs. 500)……… Rs. 700
   Paid to creditors………………………….. Rs. 400
   Paid salaries……………………………… Rs. 200

**Section – B**


5. “Costs are classified according to nature of operations.” Set out the classification with a brief description of the operations covered by each heading.

6. From the following information supplied by Bright Ltd. Prepare a cash budget from 1.09.1999 to 31.12.1999.

<table>
<thead>
<tr>
<th>Month</th>
<th>Credit Purchases (Rs)</th>
<th>Credit Sales (Rs)</th>
<th>Wages (Rs)</th>
<th>Selling Expenses (Rs)</th>
<th>Overheads (Rs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>85,000</td>
<td>1,60,000</td>
<td>32,000</td>
<td>8,000</td>
<td>10,000</td>
</tr>
<tr>
<td>August</td>
<td>92,000</td>
<td>1,85,000</td>
<td>37,000</td>
<td>9,500</td>
<td>11,500</td>
</tr>
<tr>
<td>September</td>
<td>1,00,000</td>
<td>2,10,000</td>
<td>42,000</td>
<td>10,500</td>
<td>13,000</td>
</tr>
<tr>
<td>October</td>
<td>1,20,000</td>
<td>2,45,000</td>
<td>49,000</td>
<td>12,500</td>
<td>13,000</td>
</tr>
<tr>
<td>November</td>
<td>90,000</td>
<td>1,78,000</td>
<td>35,500</td>
<td>8,900</td>
<td>14,500</td>
</tr>
<tr>
<td>December</td>
<td>98,000</td>
<td>1,82,000</td>
<td>36,000</td>
<td>9,000</td>
<td>14,500</td>
</tr>
</tbody>
</table>

**Additional Information:**

i. Expected Cash Balance on 1st September Rs 10,500.
ii. Period of Credit allowed to Debtors – 2 months.
iii. Period of Credit allowed by Creditors – 1 month.
iv. Lag in payment of wages, selling expense and Overhead – 1 month.
v. Expenditure on Machinery worth Rs 50,000 is payable in October.
vi. Expected cash sales per month Rs 15,000.