Sanjay Ghodawat University, Kolhapur

2017-18

Established as State Private University under Govt. of Maharashtra. Act No XL, 2017

Year and Program: MBA | **School of Commerce and Management** | **Department:- Management**

Course Code:- MMC503 | **Course Title:- Accounting for Managers** | **Semester – Odd (I)**

Day and Date 30 NOV 2017 | **End Semester Examination** | **Time: 3 hrs, Max Marks: 100**

Instructions: 1) All Questions are compulsory.
2) Use of Simple Calculator is allowed.

			Marks	COs
Q.1	a)	What do you mean by Marginal costing? Explain the application of Break Even Point in managerial Decision making.	10	CO503.4
	b)	A piston manufacturing company produces three type of spare parts and sales in local market as per following structure.	10	CO503.4

Product	No. of Units	Selling Price	Variable Cost
A	800	30	16
B	1200	28	18
C	1000	25	18

Total fixed cost Rs. 15200

New director of company decided to alter the product line and adopted following mixture.

Product	No. of Units	Selling Price	Variable Cost
A	1500	28	18
B	1000	30	19
C	500	28	18

Do you agree with changed production line by directors?

Comment your result.

Q.2 Solve any Two

a) Define financial Accounting and Explain the various concepts in financial Accounting. 10 CO503.1

b) Pass following journal entries and post them in to ledger Books of OMG PVT LTD. 10 CO503.1

i. 1/03/2017 Started business with cash Rs.80,000

ii. 3/03/2017 Purchased goods for cash Rs. 85,000

iii. 5/03/2017 Purchased goods on credit from SAN Ltd on credit

for Rs.5,00,000

iv. 8/03/2017 Returned goods worth Rs. 50,000 to SAN Ltd.

v. 10/03/2017 sold goods for cash Rs. 1,80,000

vi. 15/03/2017 sold goods to PMO Ltd. on credit Rs. 2,50,000

vii. 17/03/2017 ISKONT Ltd returned goods worth Rs. 15000

c) You are given the following information from the books of Siraj co. ltd. As on 31st March 2015. Prepare statement of profit & Loss Account as per revised schedule. 10 CO503.1

Siraj Co. Ltd.

Trial balance as on 31st March 2015

Particulars	Amount	Particulars	Amount
Depreciation on premises	8000	Sales	1240000
Materials Consumed	800000	Equity Share Capital	800000
Opening stock	40000	Outstanding Wages	6000
Salaries	114000		
Bad Debts	3800		
Bonus to employees	20000		
Interest on loan	16000		
Depreciation on Machinery	18000		
Conveyance	4000		
Loss on sale of Machinery	20000		

Insurance	16200		
Sales Returns	40000		
Provision for tax	60000		
Machinery	600000		
P.F. Contribution	86000		
Premises	160000		
Computers	40000		
	2046000		**2046000**

Q.3 Solve any Two

a) What do you mean by Accounting Standard? Write its importance. 10 CO503.2

b) Explain Disclosure of Accounting policies (A.S.1) 10 CO503.2

c) Explain Accounting Standard- 2 i.e. Valuation of Inventories 10 CO503.2

Q.4 Solve any Two

a) From the following particulars prepares a cost-sheet 10 CO503.3

Particulars	Amount
Raw Material Purchased	115000
Carriage inward	5000
Raw Material (1-1-2001)	25000
Raw Material (31-12-2001)	30000
Work-in Progress (1-1-2001)	60000
Work-in Progress (31-12-2001)	8000
Finished Goods (1-1-2001)	62000
Finished Goods (31-12-2001)	58000
Sale of Scrap	2000
Productive wages	70000
Unproductive wages	21000
Factory Rent and taxes	15000
Factory lighting and heating	7400
Motive power	8800

Factory gas & water	6000
Factory cleaning	4000
Income tax	4000
Factory Stationary	1000
Loose tools written off	1000
Dividend paid	12000
Factory Insurance	2000
Direct Expenses	6000
Office Insurance	1000
Office Stationary	1000
Directors Fees (Works)	2000
Directors Fees (Office)	4000
Sundry office Exp.	400
Office Rent and taxes	1000
Rent of Warehouse	600
Depreciation plant and machinery	4000
Depreciation Office building	2000
Depreciation Delivery Van	400
Advertisement	600
Up keep of delivery van	1400
Commission on sales	3000
Bad debts	200
Sales Dept. salary	3000
Office Dept. salary	3600
Bank Charges	100
Legal Charges	800
Sales	318000

b) Explain methods and techniques of cost accounting. 10 CO503.3

c) Explain the difference between Cost accounting and financial accounting — 10 — CO503.3

Q.5 Solve any Two

a) You are given the data of XYZ co. Ltd. — 10 — CO503.4

Sales (@ Rs.10) - 1,00,000 units,

Variable cost Rs.6/Unit

Fixed cost Rs.3,00,000 p.a., Calculate:

i) P.V. Ratio

ii) Break-even sales in Units

iii) Break-even Sales in Amount

iv) Margin of safety

b) Prepare cash budget for January to June 2001 from the following particulars. — 10 — CO503.4

1. Cash balance on 1st Jan 2001 was Rs. 10000/-
2. A new Machine Installed Rs. 30000 on credit and paid in two equal installments in March and April.
3. Cash sales 50% and credit allowed to customer 1 month
4. Delay in payment of wages and overhead- 1 month
5. Delay in payment of material 1 month.

Month	Sales	Material	Wages	Production O.H.	S & D. O.H.
Jan.	20000	20000	4000	3200	800
Feb.	22000	14000	4400	3300	900
Mar.	24000	14000	4600	3300	800
Apr.	26000	12000	4600	3400	900
May	28000	12000	4800	3500	900
June	30000	16000	4800	3600	1000

c) Define budgetary control and explain its importance in business organization — 10 — CO503.4