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**SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR
(AUTONOMOUS)**

MBA I Year I Semester Supplementary Examinations August 2021

ACCOUNTING FOR MANAGERS

(MBA)

Time: 3 hours

Max. Marks: 60

SECTION – A

(Answer all Five Units 5 x 10 = 50 Marks)

UNIT-I

1 What is accounting? Explain its objectives and principles. 10M

OR

2 a What are the disadvantages of Accounting? 5M

b What is double entry system? Write debit and credit for various types of accounts? 5M

UNIT-II

3 Prepare journal and post them into ledger: 10M

01.01.2002: James started business with cash Rs 5000.

01.01.2002: Furniture Rs 2000 01.01.2002 Machinery Rs 3000.

01.01.2002: Purchased goods for cash Rs 5000.

03.01.2002: Goods purchased from Sundaram & Co Rs 1000.

04.01.2002: Sold goods to Rama Rao Rs 5000.

OR

4 Explain the differences between capital and revenue expenses with an example for each. 10M

UNIT-III

5 “A cash flow statement is required to explain the changes in cash account balances between the balance sheet dates”. Explain the statement. 10M

OR

6 From the following balances you are require to calculate cash from operations: 10M

Particulars	31-12-2017	31-12-2018
Debtors	50,000	47,000
Bills receivables	10,000	12,500
Creditors	20,000	25,000
Bills payables	8,000	6,000
Outstanding expenses	1,000	1,200
Pre-paid expenses	800	700
Accrued income	600	750
Income received in advance	300	250
Profit made during the year		1,30,000

UNIT-IV

7 a Explain the advantages of marginal costing. 5M

b Define BEP. What are its managerial uses? 5M

OR

- 8 From the following information calculate: 10M
- (i) P/V Ratio (ii) Breakeven point (iii) Margin of safety
- (iv) If selling price is reduced to Rs.90, how much is the margin of safety is reduced?
1. Total sales Rs.3, 60,000
 2. Selling price per unit Rs.100
 3. Variable cost per unit Rs.50
 4. Fixed cost Rs.1, 00,000 - 3M

UNIT-V

- 9 What are the functions and characteristics of a good costing system? 10M
- OR**
- 10 For the following data given, prepare the cost sheet to show the total cost of production 10M
for the month of December, 2018:
1. Stock of raw materials 1-7-2018: Rs.3000
 2. Raw materials purchased:Rs.28000
 3. Stock of raw materials 31-7-2018: Rs.4500
 4. Manufacturing wages: Rs.7000
 5. Depreciation on plant: Rs.1500
 6. Loss on sale on plant: Rs.300
 7. Office rent: Rs.3000
 8. General expenses: Rs.500
 9. Discount allowed: Rs.300
 10. Advertisement expenses to be fully charged: Rs. 600
 11. Income tax paid: Rs.2000
 12. The number of units produced during July, 2002 was Rs.3000.
 13. The stock of finished goods was 200 and 400 units on 1-12-2018 and 31-12-2018 respectively.
 14. The total cost of units on hand on 1-7-2018 was Rs.2800. All these have been sold during the month.

SECTION – B
(Compulsory Question)

- 11 1 x 10 = 10 Marks
The particulars of incomes and expenses of a company are given here under, for the year ended 31/03/2019:

Particulars	Rs.
Opening stock	76,250
Manufacturing expenses	7,000
Administrative expenses	1,00,000
Selling & distribution expenses	12,000
Loss by fire	13,000
Sales	5,00,000
Closing stock	9,850
Income from investment	6,000

You are required to calculate:

- (i) Operating profit.
- (ii) Operating profit ratio.
- (iii) Stock turnover ratio.
- (iv) Gross profit ratio.
- (v) Net profit ratio

*** END ***