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

MBA I Year I Semester Regular Examinations July-2021

ACCOUNTING FOR MANAGERS

Time: 3 hours

Max. Marks: 60

SECTION – A

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

UNIT-I

- 1 According to the principles of 'Double entry system' Every debit has a Corresponding credit- Discuss. L2 10M

OR

- 2 a Classify the types of accounts and write accounting rules. L2 5M
b What is Accounting? Explain the accounting equation with suitable business transactions? L2 5M

UNIT-II

- 3 What is depreciation? Write a brief note on various methods of Depreciation. L3 10M

OR

- 4 Geeta Company purchased a machine for Rs.50000 on 1st April 1999 and spent Rs.10000 for erection. The life of the machine was estimated at 10 years. The scrap value of the machine is Rs. 2000 at the end of 10 years. Assuming that the accounting year ends on Dec, 31st every year. Show machinery account for 5 years using Diminishing Balance method. L4 10M

UNIT-III

- 5 "A cash flow statement is required to explain the changes in cash account balances Between balance sheet dates'- Discuss L2 10M

OR

- 6 Explain the steps in the preparation of funds flow statement and also Discuss in brief about uses of funds flow statement. L3 10M

UNIT-IV

- 7 What is Break Even Point? State the assumptions of breakeven analysis. Explain how break even analysis is used by the managers in their day –to-day Operations? L1 10M

OR

- 8 From the following information calculate: L3 10M
(a) P/V Ratio. (b) Breakeven point. (c) Margin of safety.
(d) If selling price is reduced to Rs.90, how much is the margin of Safety will be reduced?

Total sales Rs.3, 60,000

Selling price per unit Rs.100

Variable cost per unit Rs.50

Fixed cost Rs.1, 00,000.

UNIT-V

- 9 What are the elements of cost? Explain them with suitable examples. L1 10M
- OR**
- 10 Prepare the cost sheet to show the total cost of production for the month of July, 2018. L4 10M

Stock of raw materials on 1-7-2018 - Rs.3000

Raw materials purchased Rs.28000

Stock of raw materials on 31-7-2002 - Rs.4500

Manufacturing wages -Rs.7000

Depreciation on plant- Rs.1500

Loss on sale on plant -Rs.300

Office rent- Rs.3000

General expenses- Rs.500

Discount allowed- Rs.300

Advertisement expenses to be fully charged- Rs. 600

Income tax paid -Rs.2000

The number of units produced during July, 2018 was Rs.3000 The stock of finished goods was 200 and 400 units on 1-7-2018 and 31-7-2018 respectively.

The total cost of units on hand on 1-7-2002 was Rs.2800. All these have been sold during the month.

SECTION – B

(Compulsory Question)

11

1 x 10 = 10 Marks

On 1st January, 2002 machinery was purchased by Mr.Ramu for Rs 80,000. On 1st July, 2002 he made addition for an amount of Rs 20,000. Again on 1st April, 2005 further additions were made at a cost of Rs 10,000. Mr.Ramu closes books every year on 31st December. What would be the closing balance of machinery account on 31stDecember, 2005 if he provides depreciation on diminishing balance method at 8 % p.a? Show machinery account for three years

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