



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

**Siddharth Nagar, Narayanavanam Road – 517583**

**QUESTION BANK (DESCRIPTIVE)**

**Subject with Code : Accounting for Managers(20MB9002)**

**Course & Branch: MBA**

**Year &Sem: I-MBA & I-Sem**

**Regulation: R20**

**UNIT –I  
INTRODUCTION TO ACCOUNTING**

<b>1</b>	a) What is accounting? Explain importance of accounting b) Elucidate the any five concepts of accounting.	[L1][CO1] [L2][CO1]	[5M] [5M]
<b>2</b>	a) Describe the convention of accounting. b) Briefly describe the methods of accounting.	[L1][CO1] [L2][CO1]	[4M] [6M]
<b>3</b>	a) Write a short on Dual aspects and Money measurement. b) Describe the rules of double entry and gives examples for each of the rules.	[L1][CO1] [L3][CO1]	[4M] [6M]
<b>4</b>	a) What are the advantages of accounting ? b) Distinguish between single entry system and double entry system.	[L1][CO1] [L2][CO1]	[4M] [6M]
<b>5</b>	a) What do you mean by accounting? b) State the objectives of accounting .Who are the users of accounting information ?	[L1][CO1] [L3][CO1]	[2M] [8M]
<b>6</b>	a) Define accrual concepts? b) What are the advantages and disadvantages of accounting ?	[L1][CO1] [L2][CO1]	[2M] [8M]
<b>7</b>	a) Explain the objectives of accounting. b) what do you understand by the convention of ‘full disclosure’?How is it important ?	[L1][CO1] [L2][CO1]	[5M] [5M]
<b>8</b>	a) Briefly explain the single entry system. b) State the Generally Accepted Accounting Principles.	[L2][CO1] [L2][CO1]	[4M] [6M]
<b>9</b>	a) What is accounting equation? Explain its rationale. b) Briefly explain the accounting concepts and conventions.	[L1][CO1] [L2][CO1]	[2M] [8M]
<b>10</b>	a) What do you mean by accounting period concept ? b) Evaluate various methods of accounting.	[L2][CO1] [L2][CO1]	[2M] [8M]

**UNIT –II**  
**PREPARATION OF FINAL ACCOUNT & DEPRECIATION**

1	a) Define accounting. b) What is journal ? Gives the points of distinction between journal and ledger.	[L2][CO2] [L1][CO2]	[2M] [8M]																								
2	a) Draw specimen of journal with two examples. b) What is accounting cycle? Explain with diagram.	[L2][CO2] [L2][CO2]	[4M] [6M]																								
3	a) What are subsidiary books of accounts? b) Describe the classification of capital and revenue expenses.	[L1][CO2] [L2][CO2]	[4M] [6M]																								
4	a) List out the features of depreciation. b) Discuss in detail the concept of depreciation .	[L2][CO2] [L2][CO2]	[5M] [5M]																								
5	Prepare journal and post them into ledger: 01.07.2020 Kethan started business with cash ₹ 80000 05.07.2020 Purchased goods for cash ₹ 5000 07.07.2020 Goods purchased from edison ₹ 6000 09.07.2020 Sold goods to mani ₹ 4000 12.07.2020 Rent paid ₹ 200 14.07.2020 Cash withdraw for personal use ₹ 4500	[L5][CO2]	[10M]																								
6	a) Elucidate the straight line method. b) State the annuity method with example.	[L2][CO2] [L2][CO2]	[5M] [5M]																								
7	Prepare trading account from the following ledger balances as on 31 <sup>st</sup> march 2021 <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Particulars</th> <th style="width: 10%; text-align: right;">₹</th> <th style="width: 30%;">Particulars</th> <th style="width: 10%; text-align: right;">₹</th> </tr> </thead> <tbody> <tr> <td>Stock (1-4-2020)</td> <td style="text-align: right;">10000</td> <td>Sales</td> <td style="text-align: right;">300000</td> </tr> <tr> <td>Purchase</td> <td style="text-align: right;">160000</td> <td>Returns inward</td> <td style="text-align: right;">16000</td> </tr> <tr> <td>Wages</td> <td style="text-align: right;">30000</td> <td>Returns outward</td> <td style="text-align: right;">10000</td> </tr> <tr> <td>Carriage inwards</td> <td style="text-align: right;">10000</td> <td>Gas and fuel</td> <td style="text-align: right;">8000</td> </tr> <tr> <td>Freight inwards</td> <td style="text-align: right;">8000</td> <td>Stock on <sup>31</sup>st march ,2021</td> <td style="text-align: right;">20000</td> </tr> </tbody> </table>	Particulars	₹	Particulars	₹	Stock (1-4-2020)	10000	Sales	300000	Purchase	160000	Returns inward	16000	Wages	30000	Returns outward	10000	Carriage inwards	10000	Gas and fuel	8000	Freight inwards	8000	Stock on <sup>31</sup> st march ,2021	20000	[L6][CO2]	[10M]
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8	a) Describe the methods of valuing various Tangible and Intangible assets. b) Write a short on Diminishing Balance method.	[L2][CO2] [L2][CO2]	[6M] [4M]																								
9	A company acquired a machine on 1.1.2018 at a cost of ₹ 40000 and spent on ₹ 1000 on its installation .The firm writes off depreciation at 10% on the straight line method and diminishing balance method. The books are closed on 31 <sup>st</sup> December of each year .show the machinery account for 3 years.	[L5][CO2]	[10M]																								
10	A machine purchased on 1 <sup>st</sup> July 2017 at a cost of ₹ 14000 and ₹1000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The book are closed on 31 <sup>st</sup> December each year .The machine was sold for ₹ 9500 on 31 <sup>st</sup> march 2020.Show the machinery account for all the years.	[L5][CO2]	[10M]																								

**UNIT –III**  
**FUNDS FLOW ANALYSIS**

1	a) What is meant by funds from operation? b) What do you understand by the working capital concept of the term 'funds'?	[L1][CO3] [L2][CO3]	[3M] [7M]																																										
2	a) Define cash from operation. b) Mention some of the differences between cash flow statements and funds flow.	[L1][CO3] [L2][CO3]	[2M] [8M]																																										
3	a) State its significance of funds flow statement. b) Elucidate the various advantages of cash flow statement.	[L3][CO3] [L2][CO3]	[5M] [5M]																																										
4	a) Describe the uses of cash flow statement. b) Elucidate funds from operation .How is it computed?	[L2][CO3] [L3][CO3]	[5M] [5M]																																										
5	a) Define investing activities. b) What do you mean by cash from operating activities? How is this calculated?	[L1][CO3] [L2][CO3]	[2M] [8M]																																										
6	a) Explain the steps in the preparation of funds flow statement. b) Discuss in briefly about dis-advantages of funds flow statement.	[L2][CO3] [L2][CO3]	[5M] [5M]																																										
7	a) What are the limitations of cash flow statement? b) To prepare Statement of change in working capital.	[L1][CO3] [L5][CO3]	[4M] [6M]																																										
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<b>10</b>	From the following balance sheet of XYZ co. Ltd., prepare a statement of sources and uses of funds.		<b>[L5][CO3]</b>	<b>[10M]</b>																																			
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**UNIT-IV****MARGINAL COSTING**

<b>1</b>	a) Write a short note on objective of marginal cost. b) Define marginal cost . Explain the importance of marginal cost.	[L1][CO4] [L2][CO4]	[4M] [6M]									
<b>2</b>	a) What is mean by absorption costing. b) Explain the advantages and disadvantages of marginal costing.	[L2][CO4] [L2][CO4]	[3M] [7M]									
<b>3</b>	a) What is break even analysis. b) what do you understand by BEP and BEP chart.	[L1][CO4] [L2][CO4]	[2M] [8M]									
<b>4</b>	a) Elucidate cost – volume profit analysis. b) Illustrate the uses of break-even analysis.	[L2][CO4] [L2][CO4]	[5M] [5M]									
<b>5</b>	a) Clarify the various advantages of marginal costing. b) Discuss the applications of the marginal costing technique.	[L2][CO4] [L2][CO4]	[5M] [5M]									
<b>6</b>	From the following information calculate: a) P/V Ratio. b) Breakeven point. c) Margin of safety. d) If selling price is reduced to ₹ .90, how much is the margin of safety is reduced?  <ul style="list-style-type: none"> <li>• Total sales Rs.3, 60,000</li> <li>• Selling price per unit</li> <li>• Rs.100Variable cost per</li> <li>• unit Rs.50 Fixed cost ₹ 1, 00,000.</li> </ul>	[L5][CO4]	[10M]									
<b>7</b>	a) Explain the break even point advantages. b) List out the features of marginal costing.	[L2][CO4] [L2][CO4]	[5M] [5M]									
<b>8</b>	From the following data calculate the break even point. Direct material per unit ₹ 3 Dircect labour per unit ₹ 2 Fixed overhead (Total) ₹ 10,000 Variable overhead 100% on direct labour Selling price per unit ₹ 10 Trade discount 5% Also determine the net profits ,if sales are 10% above the break even point .	[L5][CO4]	[10M]									
<b>9</b>	The sales and profit during two years are given below :  <table style="margin-left: 20px;"> <thead> <tr> <th>Year</th> <th>sales (₹)</th> <th>Profit (₹)</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>2000000</td> <td>200000</td> </tr> <tr> <td>2021</td> <td>3000000</td> <td>400000</td> </tr> </tbody> </table> Calculate (a) P/V ratio (b) Sales required to earn a profit of ₹ 500000.	Year	sales (₹)	Profit (₹)	2020	2000000	200000	2021	3000000	400000	[L5][CO4]	[10M]
Year	sales (₹)	Profit (₹)										
2020	2000000	200000										
2021	3000000	400000										
<b>10</b>	a) What is meant by marginal cost and difficulties. b) Describe the make or buy and fixing selling price.	[L1][CO4] [L2][CO4]	[5M] [5M]									

**UNIT-V**  
**COST ACCOUNTING**

1	a) Definition of cost accounting . b) Explain the elements of cost accounting.	[L1][CO5] [L2][CO5]	[2M] [8M]
2	a) Elucidate the types of cost accounting. b) What are the emerging needs of cost accounting?	[L2][CO5] [L2][CO5]	[5M] [5M]
3	The standard cost card shows the following details relating to material needed to produce 1 kg. of groundnut oli :- Quantity of groundnut required                      3kg Price of groundnut                                        ₹ 2.50 per kg <b>Actual production data :</b> Production during the month                      1000kg Quality of material used                              3500kg Price of groundnut                                      ₹ 3 per kg <b>Calculate :</b> (a) material cost variance (b) Material price variance (c) Material usage variance	[L5][CO5]	[10M]
4	a) Describe the relationship between cost accounting and financial accounting. b) State the purpose of preparation of cost sheet.	[L2][CO5] [L2][CO5]	[5M] [5M]
5	a) Define labour variance. b) How do you classify the costs? State various methods.	[L1][CO5] [L2][CO5]	[2M] [8M]
6	The following information is given : Standard hours per unit                              15 Standard rate    ₹ 4 per hour <b>Actual data :</b> Actual production                                      1000units Actual hours    15300 hours Actual rate    ₹ 3.90 per hour Calculate labour cost variance and labour rate variance.	[L5][CO5]	[10M]
7	a) write a short note on Stanard costing with example. b) Explain the material variance and labour variance.	[L2][CO5] [L2][CO5]	[5M] [5M]
8	a) What is variance analysis? b) Elucidate elaborately the parts of total cost and the components to be included therein.	[L1][CO5] [L2][CO5]	[2M] [8M]
9	From the following particulars ,compute : Quantity of materials purchased                      3,000 units Value of materials purchased                        ₹ 9,000 Standard qunantity of materials required per ton of output 30 units Standard price of material                            ₹ 2.50 per unit Opening stock of materials                            Nil Closing stock of materials                            500 units Output during the period                              80 tons (a)Material cost variance (b) Material price variance (c) Material usage variance	[L5][CO5]	[10M]
10	A manufacturing concern which has adopted standard costing furnishes the following information: <b>Standard :</b> Material for 70 kg finished products                      100kg Price of material    ₹ 1 per kg <b>Actual:</b> Output    2,10,000 kg Material used    2,80,000 kg Cost of ,materials.                                        ₹ 2,52,000 <b>Calculate :</b>	[L5][CO5]	[10M]

(a)Material usage ,(b) Material price variance ,(c) Material cost variance .

**Case study 1:****10M**

The following balance were extracted from the books of Mr Govind on March 31, 2020. You are required to prepare a Trading account and profit and loss account for the year ended March 31, 2020 and a Balance sheet as on that date.

Particulars	₹	Particulars	₹
Purchase	75000	capital	60000
Return inwards	2000	creditors	30000
Opeingstock	10000	sales	1200000
Freight inwards	4000	Return outwards	1000
wages	2000		
Investments	10000		
Bank charges	1000		
Land	30000		
machinery	30000		
Building	25000		
Cash at bank	18000		
Cash in hand	4000		
total	2,11,000		2,11,000

Additional information :

- 1.closing stock ₹ 9000
- 2.Provide depreciation @10% on machinery
- 3.Interest accrued on investment ₹ 2000

**Case study 2:****10M**

The Journalize the following transactions and prepare Ledgers in the books of sai.

Particulars	Rs
Sai commenced business	75,000
Deposit in to bank	30,000
Purchase furniture and paid by cheque	1,500
Good purchased from kethan	20,000
Kethan full settlement	19500
Goods retured to kethan	400
Good sold to ravi	5,00
Commission received	250

Salaries	4,000
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**Case study 3:****10M****The following data is given :**

Selling price	₹ 20 per unit
Variable manufacturing costs	11 per unit
Variable selling costs	3 per unit
Fixed factory overheads	5,40,000 per year
Fixed selling costs	2,52,000 per year

**Your are required to compute :**

- i. Break even point expressed in amount of sales in rupees ;
- ii. Number of units that must be sold to earn a profit of ₹ 60,000 per year.
- iii. How many units must be sold to earn a net income of 10% of sales ?

**Case study 4:****10M**

A company acquired a machine on 1.1.2019 at a cost of 60000 and spent on 2000 on its installation. The firm writes off depreciation at 12% on the straight line method and diminishing balance method. The books are closed on 31st December of each year. Show the machinery account for 4 years.

**Prepared by:****Mrs .C.Priyadarshini**

Assistant Professor/MBA

SIETK,PUTTUR