



WINTER-2023			
Exam Seat No.:			
Academic Year:2023-2024		Semester:I	
Name of Programme:MBA		Pattern:2022	
Name of Course:Accounting for Managers		Course Code:MBA22104	
Max. Marks:60		Duration:2 hrs 30 min	

	<p>Instructions: Candidates should read carefully the instructions printed on the Question Paper and on the cover page of the Answer Book, which is provided for their use.</p> <ol style="list-style-type: none">1. This question paper contains 6 (six) pages.2. Answer to each new question is to be started on a new page.3. Assume suitable data wherever required, but justify it.4. Draw the neat labelled diagrams, wherever necessary.5. The last columns indicates the Course Outcome and level of Blooms Taxonomy of the Question/sub-question.6. Question No. 1 and 2 compulsory, Solve (a) or (b) and (c) or (d) from Question No. 3 to 5.	
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Question No. 1 Attempt following Question

- 1 a) Difference between Financial Accounting & Management Accounting. (6) CO2

Question No. 2 Attempt following Question

- 2 a) From the following balances extracted from the books of Ms. Shefali Prepare Balance Sheet as on 31st December, 2023. (6) CO3

Particulars	Rs.	Particulars	Rs.
Debtors	75,000	Cash at Bank	22,390
Creditors	85,000	Capital	4,77,500
Opening stock	37,500	Drawing	37,960
Wages	25,000	Purchases	2,79,500
Rent	36,000	Sales	5,78,500
Building	1,75,000	O/s Wages	17,230
Factory Expenses	22,000	Bank Loan	1,01,000

8% Investment	80,000	General Reserve	96,400
Furniture	1,25,600	Bills Payable	34,850
Salary	22,600	Machinery	2,22,400

Adjustments –

1. Interest on Investment accrued for last quarter.
2. Closing Stock valued @ Rs.27,110/-.
3. Net Loss for the year Rs.44,920/-

Question No. 3 Attempt following Question

3 a) Following information of Firefox Ltd. relates to a commodity for the year ended 31st March, 2023. (10) CO3

Particulars	Rs.
Opening stock as on 1-4-2022	
Raw material	17,500
Work in progress	37,500
Finished goods (1,000 tons)	27,000
Closing stock as on 31-3-2023	
Raw material	22,400
Work in progress	32,500
Finished goods (3,000 tons)	42,000
Purchases of raw materials	98,500
Direct Labour	33,400
Excise duty on purchase of raw materials	9,850
Factory Rent	36,000
Income tax	22,980
Carriage Inward	8,850
Account Writing Charges	17,000

Delivery Van Charges	11,000
Printing & Stationery	4,660
Sales of finished goods	2,50,000
Outstanding Wages	2,000

Advertisement & Selling Cost 75 Paise per ton sold. 20,000 tons of commodities were produced during the year 2022-23.

Prepare Cost Sheet for the year ended 31st March 2023.

OR

- 3 b) The following are the figures obtained from the records of Kamal Petronet Ltd., Mumbai for the month of March, 2023. (10) CO3

Departments	Indirect material	Indirect Labour
Production Dept.		
'A'	73,000	47,000
'B'	48,500	26,500
'C'	24,000	38,000
Service Dept.		
'X'	83,000	42,500
'Y'	41,500	26,000

Additional information

Rs.

Lighting, Heating and Power	2,00,000
Rent, rates , Taxes	80,000
Staff welfare charges	1,00,000
Depreciation on machinery	3,00,000

Particulars	Production dept.			Service dept.	
	'A'	'B'	'C'	'X'	'Y'
Area Occupied (sq. ft)	6,000	4,000	2,000	3,000	1,000
Kilo watt-Hours (KWH)	8,000	7,500	4,000	3,500	2,000
Number of employees (No.)	110	90	60	100	40
Value of Machinery	1,00,000	50,000	80,000	60,000	10,000

You are required to apportion the costs to various departments by considering the most suitable basis.

- 3 c) Short Notes - (6) CO1
1. Time Keeping
 2. EOQ

OR

- 3 d) Classification of Cost by Differentiate. (6) CO1

Question No. 4 Attempt following Question

- 4 a) Falcon Ltd., produced and sold 8,000 cycles last year at a price of Rs. 400 each. The cost structure per cycle is as follows - (10) CO4

Particulars	Rs.
Materials	80
Labour	40
Variable Overheads	30
Marginal Cost	150
Fixed Overheads	175
Total Cost	325
Profit	75
Sales Price	400

The company has to reduce selling price to Rs. 350 due to tough competition in the coming year. Assuming no change in costs, state the number of cycles to be sold at the new price to ensure the same amount of total profit as in the last year.

OR

- 4 b) The sales and profit during the last two years of Shinhan Ltd., were as follows: (10) CO4

Period	turnover	profit
2022-23	25,00,000	1,00,000
2023-24	28,00,000	1,90,000

Annual fixed cost is Rs. 3,60,000.

Calculate:

1. P/v Ratio
2. BEP (sales)
3. Margin of safety Period - I Period – II
4. Profit made when sales are Rs.30,00,000,
5. Sales required to earn a profit of Rs.7,20,000

4 c) Short Notes

(6) CO1

1. Fixed Cost
2. Variable Cost

OR

4 d) Define Marginal Costing and Explain Advantages of Marginal Costing.

(6) CO1

Question No. 5 Attempt following Question

5 a) The budgeted output of Raven Ltd specializing in the production of a one product at the optimum capacity (100%) of 6,400 units per annum amounts to Rs. 1,88,592 as detailed below - (10) CO3

Particulars	Rs.	Rs.
Fixed costs – Rent		28,600
Variable costs:		
Power	1,400	
Repairs	1,700	
Misc. Exps	1,212	
Direct Material	53,280	
Direct Labour	1,02,400	1,59,992
Total		1,88,592

The company decides to have a flexible budget with a production target of 3,200 and 4,800 unit

Prepare a flexible budget for production levels of 50% and 75%. Assuming, selling price per units maintained at Rs. 40 as at present, indicate the net profit percentage on Sales.

Administrative, selling and distribution expenses continue at Rs. 3,392 for all level.

OR

5 b) Shashank Limited produces a product 'Tempex' which is sold in a 10 kg. packet. The standard cost card per packet of 'Tempex' are as follows: (10) CO3

Direct material 10 kg @ Rs.45 per kg Rs.450

Direct labour 8 hours @ Rs.50 per hour Rs.400

Budgeted output for the third quarter of a year was 10,000 kg. Actual output is 9,000 kg. Actual cost for this quarter are as follows:

Direct materials 8,900 kg @ Rs.46 per kg. Rs.4,09,400

Direct labour 7,000 hours @ Rs.52 per hour Rs.3,64,000

You are required to calculate:

1. Material Usage Variance
2. Material Price Variance

3. Material Cost Variance
4. Labour Efficiency Variance
5. Labour Rate Variance
6. Labour Cost Variance

- 5 c) Posco Ltd wish to approach the bankers for temporary overdraft facility for the period from October 2023 to December 2023. During the period of these three months, the firm will be manufacturing mostly for stock. You are required to prepare a cash budget for the above period. (6) CO3

Month	Sales (Rs.)	Purchases (Rs.)	Wages (Rs.)
August	3,60,000	2,49,600	24,000
September	3,84,000	2,88,000	28,000
October	2,16,000	2,26,000	22,000
November	3,48,000	2,67,000	20,000
December	2,52,000	1,36,000	30,000

- 50% of credit sales are realized in the month following the sales and remaining 50% in the second following.
- Creditors are paid in the month following the month of purchase.
- Time lag for Wages is 1 Month.
- Estimated cash as on 1-10-2023 is Rs.50,000

OR

- 5 d) Following details relating to Product X during the month of April 2023 are available- (6) CO3

Standard Cost per unit of X: Materials: 50 kg at Rs.40/kg

Actual Production: 100 units

Actual material cost: Rs.42/kg

Material price variance: Rs.9800 (Adverse)

Material usage variance: Rs.4000 (Favorable)

Calculate the Actual Quantity of Material used during the month of April 2023.