



**K. K. Wagh Institute of Engineering Education & Research, Nashik**  
(An Autonomous Institute From A.Y. 2022-23)

| WINTER-2025                            |                     |
|--|---------------------|
| Exam Seat No.:                         |                     |
| Academic Year:2025-2026                | Semester:I          |
| Class:PG-I                             | Program:MBA         |
| Branch Code:10                         | Pattern:2024        |
| Name of Course:Accounting for Managers | Course Code:2410503 |
| Max. Marks:60                          | Duration:2.30 Hrs.  |

**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.

1. This question paper contains 6 (six) page(s).
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. Q. No. 1 and 2 compulsory, Answer (a) OR (b) AND (c) OR (d) from Q. No.3,4,5.

**Marks CO**

**Question No. 1**

- 1a) Explain Going Concern Concept. (6) CO1

**Question No. 2**

- 2a) Prepare a Balance Sheet for Anjali's Boutique (a sole proprietorship) as on March 31, 2025, from the following information: (6) CO3

| Particulars         | ₹      |
|---------------------|--------|
| Cash in hand        | 17,000 |
| Bank Balance        | 18,000 |
| Accounts Receivable | 20,000 |
| Inventory           | 25,000 |
| Accounts Payable    | 15,000 |
| Prepaid Rent        | 5,000  |
| Loan from Bank      | 20,000 |
| Furniture           | 30,000 |

|                                       |          |
|---------------------------------------|----------|
| Accumulated Depreciation on Furniture | 5,000    |
| Capital A/c                           | 60,000   |
| Net Profit                            | 15,000   |
| Opening Stock                         | 30,000   |
| Purchases                             | 1,80,000 |
| Sales                                 | 4,90,000 |

**Question No. 3**

- 3a) Aventis Ltd, a manufacturing unit, has three production departments A, B and C and two service departments X and Y. The following estimates of expenses are available for a period: (8) CO3, CO5

| Particulars            | (₹)      |
|------------------------|----------|
| Rent and Rates         | 3,20,000 |
| Power                  | 4,40,000 |
| Staff Welfare Expenses | 3,30,000 |
| Insurance on Building  | 1,60,000 |
| Insurance on Machinery | 6,00,000 |
| Staff canteen Expenses | 1,50,000 |

The other technical details about the departments are as under:

| Particulars                   | Total | A  | B  | C  | X  | Y  |
|-------------------------------|-------|----|----|----|----|----|
| Floor area ('000 Sq. Ft.)     | 80    | 10 | 20 | 30 | 10 | 10 |
| Number of Workers             | 50    | 10 | 15 | 15 | 5  | 5  |
| H. P. of Machines             | 100   | 30 | 20 | 25 | 15 | 10 |
| Cost of Machines (₹ in lakhs) | 10    | 6  | 2  | 1  | 1  | 0  |

The costs of service departments are distributed as under:

| Department | A   | B   | C   |
|------------|-----|-----|-----|
| X          | 25% | 55% | 20% |

|   |     |     |     |
|---|-----|-----|-----|
| Y | 30% | 40% | 30% |
|---|-----|-----|-----|

Prepare overhead distribution statement.

**OR**

- 3b) Prepare a statement of cost from the following information relating to Alstom Ltd, Mumbai for the year ended 31st March 2025. (8) CO3, CO4, CO5

| Particulars                   | ₹        |
|-------------------------------|----------|
| Direct material purchases     | 2,80,000 |
| Sales                         | 6,00,000 |
| Direct wages                  | 1,00,000 |
| Office indirect materials     | 5,000    |
| Opening stock of raw material | 40,000   |
| Postage and telegrams         | 2,000    |
| Factory rent and insurance    | 5,000    |
| Outstanding Wages             | 2,000    |
| Carriage outward              | 2,500    |
| Interest on loan              | 2,150    |
| Printing and stationery       | 500      |
| Factory indirect wages        | 3,000    |
| Advertisement                 | 4,000    |
| Salesman's salary             | 5,000    |
| Office Salaries               | 1,000    |
| Factory Supervisor Salary     | 8,000    |
| General works overheads       | 2,000    |
| Closing stock of raw material | 30,000   |
| Bad debts written-off         | 1,000    |

Also calculate profit percentage on sales.

- 3c) Discuss the classification of costs by nature with suitable examples." (8) CO1

**OR**

- 3d) Define time booking and analyse the objectives served by an effective time booking system. (8) CO1

**Question No. 4**

- 4a) Aurubis Ltd. has submitted the following cost data. (8) CO4, CO5

| Particulars | ₹ |
|-------------|---|
|-------------|---|

|                                      |          |
|--------------------------------------|----------|
| Invoice price per unit               | 40       |
| Variable manufacturing cost per unit | 5        |
| materials per unit                   | 16       |
| Variable selling overheads per unit  | 1        |
| Fixed- distribution expenses         | 10,000   |
| Fixed production overheads           | 1,50,000 |
| Selling on cost – fixed              | 20,000   |

• Calculate:

1. BEP (sales).
2. Number of units to be sold to earn a profit of ₹ 2,70,000.
3. Number of units to be sold to earn an income of 25% sales.

**OR**

4b) The sales and profit during the last two years of Abound Energy Ltd., were as follows:

(8) CO4,  
CO5

| Period  | Turnover  | Profit   |
|---------|-----------|----------|
| 2023-24 | 25,00,000 | 2,00,000 |
| 2024-25 | 28,00,000 | 3,20,000 |

• Annual fixed cost is ₹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 ₹32,00,000.

4c) The budgeted output of Andritz Industry specializing in the production of a one product at the optimum capacity (100%) of 6,400 units per annum amounts to ₹ 1,88,592 as detailed below:

(8) CO3,  
CO4

| Particulars               | ₹     | ₹      |
|---------------------------|-------|--------|
| <b>Fixed costs – Rent</b> |       | 28,600 |
| <b>Variable costs -</b>   |       |        |
| Power                     | 1,400 |        |
| Repairs                   | 1,700 |        |
| Misc. Exps                | 1,212 |        |

|                 |          |                 |
|-----------------|----------|-----------------|
| Direct Material | 53,280   |                 |
| Direct Labour   | 1,02,400 | 1,59,992        |
| <b>Total</b>    |          | <b>1,88,592</b> |

The company decides to have a flexible budget with a production target of 2,400 and 4,800 units

Assuming, selling price per units maintained at ₹ 40 as at present, indicate the net profit percentage on Sales. Administrative, Selling and Distribution expenses continue at ₹3,408 for all level.

**OR**

- 4d) Armstrong Ltd wish to approach the bankers for temporary overdraft facility for the period from October 2025 to December 2025. During the period of this 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. (8) CO3, CO4

| Month     | Sales (₹) | Purchases (₹) | Wages (₹) |
|-----------|-----------|---------------|-----------|
| August    | 3,90,000  | 3,49,600      | 34,000    |
| September | 4,80,000  | 3,88,000      | 38,000    |
| October   | 4,16,000  | 4,26,000      | 32,000    |
| November  | 4,48,000  | 3,67,000      | 30,000    |
| December  | 5,52,000  | 4,36,000      | 40,000    |

- 50% of credit sales are realized in the month following the sales and remaining 50% in the second month following.
- Creditors are paid in the month following the month of purchase.
- 12% Loan taken from Bank ₹ 8,00,000 on 1st October 2025, Interest is payable on quarterly basis on last day of quarter.
- Time lag for Wages is 1 Month.
- Estimated cash as on 1-10-2025 is ₹70,000.

**Question No. 5**

- 5a) From the following cost data calculate the following material variances. (8) CO3

1. Material Cost Variance
2. Material Price Variance
3. Material Usage Variance
4. Material Mix Variance

| Material | Standard Quantity | Standard price | Actual quantity | Actual price |
|----------|-------------------|----------------|-----------------|--------------|
| P        | 120               | 10             | 110             | 15           |
| Q        | 130               | 20             | 120             | 20           |

|  |            |  |            |  |
|--|------------|--|------------|--|
|  | <b>250</b> |  | <b>230</b> |  |
|--|------------|--|------------|--|

**OR**

5b) From the data given calculate LCV, LRV, LEV each of the labour variances for the two department (8) CO3

| <b>Particulars</b>           | <b>Dept. X</b> | <b>Dept. Y</b> |
|------------------------------|----------------|----------------|
| Actual gross wage            | 2,050          | 1,740          |
| Standard hours produced Hrs. | 8,000          | 6,000          |
| Standard rate per hour ₹     | 0.30           | 0.35           |
| Actual hours worked Hrs.     | 8,200          | 5,800          |

5c) What is Standard Costing? Explain how Estimated Cost differs from Standard Cost. (8) CO1, CO2

**OR**

5d) Define Standard Costing and explain its main features. (8) CO1, CO2

..... End of question paper.....