



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:2022
Name of Course:Accounting for Managers	Course Code:MBA22104
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 & 2 compulsory, Solve (a) OR (b) AND (c) OR (d) from Q. No. 3, 4 and 5.

Marks CO

Question No. 1

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

Question No. 2

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

Particulars	₹
Accounts Payable	10,000
Accounts Receivable	20,000
Accumulated Depreciation on Furniture	5,000
Bank Balance	18,000
Capital A/c	60,000
Cash in Hand	12,000
Commission Received	12,000
Furniture	30,000

Gross Profit	40,000
Inventory	25,000
Loan from Bank	20,000
Net Profit	15,000
Prepaid Rent	5,000
Salary	25,000
Wages	29,000

Question No. 3

- 3a) Galaxy 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	3,00,000
Insurance on Building	1,60,000
Insurance on Machinery	6,00,000
Staff canteen Expenses	1,00,000

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	30%	45%	25%
Y	30%	35%	35%

Prepare overhead distribution statement.

OR

3b) Prepare a statement of cost from the following information relating to Gangotri Textile Ltd, Mumbai for the year ended 31st March, 2025.

(8) CO3,
CO5

Particulars	₹
Direct material purchases	2,50,000
Sales	5,00,000
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
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3c) Classify of cost by nature.

(8) CO1

OR

3d) Short Note on Sunk Cost.

(8) CO1

Question No. 4

4a) Garnet International 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	18
Variable selling overheads per unit	2
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 ₹ 1,20,000
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 Gayatri 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) Short Notes - (8) CO1, CO2
1. Fixed Cost
 2. Variable Cost

OR

- 4d) Define Marginal Costing and Explain Advantages of Marginal Costing. (8) CO1, CO2

Question No. 5

- 5a) The budgeted output of Giriraj Silk Mills Ltd. 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	₹	₹
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 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

- 5b) Global Pharma Ltd. wish to approach the bankers for temporary overdraft facility for the period from January 2026 to March 2026. 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 (₹)
November 2025	3,90,000	3,49,600	34,000
December 2025	4,80,000	3,88,000	38,000
January 2026	4,16,000	4,26,000	32,000
February 2026	4,48,000	3,67,000	30,000

March 2026	5,52,000	4,36,000	40,000
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- 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.
- Time lag for Wages is 1 Month.
- Estimated cash as on 01-01-2026 is ₹70,000.

5c) 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
	250		230	

OR

5d) From the data given calculate LCV, LRV, LEV each of the labour variances for the two department

(8) CO3

Particulars	Dept. X	Dept. Y
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

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