

Additional Details are :

- (i) A Plant costing Rs. 19,000 with accumulated depreciation of Rs. 8,000 was sold for Rs. 10,000 and bought a new plant for Rs. 85,000.
- (ii) A part of Building was sold for Rs. 1,50,000.
- (iii) Rs. 60,000, 8% debenture were redeemed by purchase from open market @ Rs. 95.
- (iv) Rs. 50,000 investment was sold at 15% higher than book value.
- (v) 25% dividend was paid in cash.
- (vi) Rs. 30,000 was utilized from contingency reserve for settlement of previous tax liability.

Roll No.

Total Pages : 4

701102

January 2023

MBA - 1 SEMESTER

Accounting for Decision-Making (MGT-102)

Time : 3 Hours]

[Max. Marks : 75

Instructions :

1. *It is compulsory to answer all the questions (1.5 marks each) of Part-A in short.*
2. *Answer any four questions from Part-B in detail.*
3. *Different sub-parts of a question are to be attempted adjacent to each other.*

PART-A

1. (a) Indicate the importance and scope of accounting. (1.5)
- (b) Elaborate 'Going concern concept' of accounting. (1.5)
- (c) What is standard costing? (1.5)
- (d) Show how 'contribution' is calculated? (1.5)
- (e) How you will calculate PV ratio? (1.5)
- (f) Why adjustment entries are made? (1.5)
- (g) What are closing entries? (1.5)
- (h) How is Material Price Variance determined? (1.5)

- (i) Owner's capital is recorded as liability. Do you agree? Why? (1.5)
- (j) Give an example of a cost sheet. (1.5)

PART-B

2. (a) What is meaning and relevance of "Convergence of Indian accounting standards with International Financial Reporting Standards"? (10)
- (b) Prepare the proforma of Balance sheet of a company with imaginary figures. (5)
3. (a) Differentiate between cash flow statement and fund flow statement. (5)
- (b) During the current year, AB Ltd showed a profit of Rs. 1,80,000 on a sale of Rs. 30,00,000. The variable expenses were Rs. 21,00,000. You are required to work out: (a) Break-even sales at present, and (b) Break-even sales if variable expenses increase by 5%. (10)
4. Explain and illustrate the following terms used in management accounting with their formula : (15)
- (a) Capital gearing.
- (b) Price Earnings ratio.
- (c) Debt service ratio.
- (d) Gross profit ratio.
- (e) Expense ratio.

5. (a) Explain with example the following cost concepts: Book cost, explicit cost, implicit cost, Sunk cost and Incremental cost. (5)
- (b) Explain the meaning and objective of (i) Flexible budget (ii) Cash budget, (iii) Performance budget, and (iv) Zero base budgeting. (10)
6. (a) From the data given below, calculate all material variances. (10)

Consumption for 100 units of a product

Raw materials	Standard	Actual
A	40 units @ Rs. 50 per unit	50 units @ Rs. 50 per unit
B	60 units @ Rs. 40 per unit	60 units @ Rs. 45 per unit

- (b) Describe the applications of marginal costing in decision-making.

7. Prepare cash flow statement by indirect method of X Ltd. From the following : (15)

Capital & Liabilities	1.1.2022	31.12.22	Assets	1.1.22	31.12.22
Share capital	3,00,000	3,00,000	Land & Building	2,80,000	2,00,000
Reserves & Surplus	45,000	80,000	Plant & Machinery	1,10,000	1,75,000
Reserve for contingency	1,00,000	70,000	Stock	1,20,000	1,85,000
Dep. fund	60,000	70,000	Debtor	1,00,000	70,000
8% Debenture	1,60,000	1,00,000	Cash & Bank	60,000	55,000
Bills payable	1,40,000	1,10,000	Temporary Investments	1,25,000	75,000
Outstanding expenses	30,000	50,000	Prepaid expenses	40,000	20,000
	8,35,000	7,80,000		8,35,000	7,80,000