

**MASTER OF BUSINESS ADMINISTRATION**  
**First Semester (Repeat)**  
**ACCOUNTING FOR MANAGERS**  
**(MBA - 102)**

**Duration: 3Hrs.**

**Full Marks: 70**

Part-A (Objective) =20  
Part-B (Descriptive) =50

**(PART-B: Descriptive)**

**Duration: 2 hrs. 40 mins.**

**Marks: 50**

**Answer any four from Question no. 2 to 8**  
**Question no. 1 is compulsory.**

1. Briefly explain the users and their need for accounting information. (6+4=10)
2. Why is it necessary to calculate depreciation? Discuss various factors which are considered for calculating depreciation. (4+6=10)
3. What is trading account? What are its uses? What are the items appearing in the debit and credit side of trading account? (3+3+4=10)
4. What is meant by Inventory? What are the objectives of valuation of inventory? (4+6=10)
5. The following is the record of receipts of certain materials during the month of January 2014: (2+2+3+3=10)

Jan. 2	Received 500 Units	@ Rs.20 per unit
Jan. 3	Received 400 Units	@ Rs. 21 per unit
Jan. 15	Received 300 Units	@ Rs. 19 per unit
Jan. 28	Received 400 Units	@ Rs. 20 per unit

The physical inventory taken on 31st January, 2014 shows that there are 600 units in hand. Compute the inventory value on 31<sup>st</sup> January, 2014 by FIFO method and LIFO method.



Also prepare a store ledger account showing how the receipts and issues on 300 units issued on 5th Jan and 700 units issued on 16th January.

6. On 1<sup>st</sup> January 2009 Max Ltd. purchased a second hand machine for Rs.80000 and spent Rs.20000 on its cartage, repairs and installation. On 30<sup>th</sup> September 2010 this machine is sold for Rs.50000. Depreciation is to be provided @ 20% p.a according to Written Down Value Method.

Prepare Machinery Account and Depreciation account for the first three years assuming that the accounts are closed on 31<sup>st</sup> March each year. (5+5=10)

7. From the following balances taken from books of Akbar & Co. prepare a Trading and Profit and Loss account for the year ending 31<sup>st</sup> March, 2012 and a Balance Sheet as at that date. (10)

Particulars (Debit)	Rs.	Particulars(Credit)	Rs.
Building	18750	Capital	35000
Machinery	9250	Bills Payable	5000
Debtors	7000	Sales	63500
General Expenses	800	Returns Outward	7600
Rent Paid	3710	Sundry Creditors	10700
Drawings	650		
Electric Charges	190		
Carriage Inwards	850		
Cash at Bank	3000		
Salaries	1110		
Discount Allowed	200		
Stock(1.4.11)	16500		
Purchases	46850		
Cash in Hand	2500		
Returns Inward	10000		
Wages	440		
	121800		121800

Closing Stock: Rs.18210

8. From the following particulars of ABC Ltd prepare Profit and Loss Statement as per revised Schedule VI of companies Act for year ended 31st March, 2014. (10)

Particulars	Rs.
Sales	220000
Purchases	75000
Opening Stock of finished Goods	50000
closing Stock of Finished Goods	10000
Interest received	10000
Dividend received	4000
Profit on sale of Investment	1000
Wages	10000
Salaries	20000
Depreciation on Machinery	8000
General Expenses	9700
Bank charges	300
Interest on Debenture	5000
Provision for Taxation	15000
Transfere to General Reserve	12000
Profit & Loss(Cr) Balance on 1-4-2013	23000

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**Duration: 20 minutes**

**Marks – 20**

**(PART A - Objective Type)**

**I. Choose the correct answer:**

**1×10=10**

1. The resources owned by the business is known as  
a) Liabilities      b) Expenses      c) Assets
2. Customers to whom goods are sold on credit are known as  
a) Creditors      b) Debtors      c) Suppliers
3. Goods sold to Ram should be debited to  
a) Cash A/c      b) Ram's A/c      c) Sales A/c
4. Purchased goods from Vikram for cash should be credited to  
a) Vikram A/c      b) Cash A/c      c) Purchases A/c
5. Trial balance is prepared to find out the  
a) profit or loss.  
b) financial position.  
c) arithmetical accuracy of the accounts.
6. Trading account is prepared to find out  
a) gross profit or loss      b) net profit or loss      c) financial position
7. Opening stock is  
a) debited in trading account.  
b) credited in trading account.  
c) credit in profit and loss account.
8. Current liabilities are recorded in the balance sheet on  
a) not recorded      b) liability side      c) assets side
9. Fixed assets have  
a) short life      b) long life      c) no life
10. Capital is a  
a) income      b) assets      c) liability

**II. State true or false:**

**1×10=10**

1. Accounting records changes in the level of prices and non-monetary events.
2. Accounting entity principles requires separation of business and personal transactions.

3. In accounting all business transactions are recorded as having dual aspect.
4. Closing stock is determined at the end of accounting period.
5. Debit balance means that debit side total is less than credit side total.
6. Sale of office furniture should be credited to Sales account.
7. Mr. Ram & Co did not provide any depreciation on plant and machinery as its market value is much higher than the cost of purchase.
8. Profit and Loss account shows the financial position of the concern.
9. Fixed assets are stated in the balance sheet at their market value.
10. Creditor is a current asset.

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