

MASTER OF BUSINESS ADMINISTRATION
First Semester
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. Discuss the main objectives of Accounting. How does accounting helps in decision making? (5+5=10)
2. Write short notes on 'Business Entity Concept' and 'Money Measurement Concept'. (5+5=10)
3. a) What do you mean by 'Journal'? (4+6=10)
b) Pass the journal entry for the following transactions:

2016

August 1: Mr Amal started business with cash investment of Rs.100000

August 2: He deposited Rs.50000 in to bank to open a current account.

August 3: Goods purchased for Rs. 20000 paid by Cash

August 4: Cash Sales Rs. 5000

August 5: Sold goods to Mr Ram for Rs. 6000

August 6: Received from Ram Rs.5000

4. a) Discuss the main causes of Depreciation.

(3+4+3=10)

b) On 1st January 2009 Max Ltd. purchased a second hand machine for Rs.80000 and spent Rs.20000 on its cartage, repairs and installation. On 30th 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 for the first three years assuming that the accounts are closed on 31st March each year.

5. From the following balances taken from books of Akbar & Co. prepare a Trading and Profit and Loss account for the year ending 31st March, 2016 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(1.4.15)	16500		
Purchases	46850		
Cash in Hand	2500		
Returns Inward	10000		
Wages	440		
	121800		121800

Closing Stock : Rs.18210

6. a) Write short note on First in First out Method. (3+7=10)

b) The following is the record of receipts of certain materials during the month of January 2015:

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, 2015 shows that there are 600 units in hand. Compute the inventory value on 31st January, 2015 by FIFO 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.

7. What do you mean by Value added Statement? Discuss the importance of Value Added Statement. Show the format of Value added statement. (5+5=10)

8. Discuss the significance of International Accounting. Which are the factors do you think have contributed for the development of International Accounting? (5+5=10)

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(PART A - Objective Type)

I. Choose the correct answer:

1×10=10

1. A written document in support of a transaction is called:
a) receipt b) credit note c) voucher
2. Purchases return means goods returned to the supplier due to
a) good quality b) defective quality c) super quality
3. Goods sold to Simanta should be debited to
a) Cash A/c b) Simanta 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. Opening stock is
a) debited in trading account
b) credited in trading account
c) credit in profit and loss account
6. Current liabilities are recorded in the balance sheet on
a) not recorded b) liability side c) assets side
7. Cash in hand is an example of
a) current assets b) fixed assets c) current liability
8. Depreciation is the..... in the value of asset due to wear and tear.
a) Loss b) Profit c) Change
9. According to which of the following method of pricing issues are close to current economic values?
a) FIFO b) LIFO
c) Highest in First out Price d) Weighted Average Price
10. Capital is a
a) income b) assets c) liability

II. State whether the following statements are true or false:

1×10=10

- a) Accounting records qualitative aspects of business.
- b) According to business entity concept the existence of business and proprietors is one and the same.
- c) The economic life of an enterprise is artificially split into intervals in accordance with the going concern assumption.
- d) The trial balance ensures the arithmetical accuracy of the books.
- e) Liabilities refer to the financial obligations of a business.
- f) The amount which the proprietor has invested in the business is called capital.
- g) By preparing profit and loss account Net profit/Net loss can be find out.
- h) Balance sheet shows the financial position of a business.
- i) Under written down value the annual depreciation is equal in all the years during the life time of the asset.
- j) Valuations of closing stock are same under FIFO and LIFO method.
