

Reg. No. :

--	--	--	--	--	--	--	--	--	--

Question Paper Code :

M.B.A. DEGREE EXAMINATION, APRIL/MAY 2011

First Semester

BA 9206 — ACCOUNTING FOR MANAGEMENT

(Regulation 2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions

PART A — (10 × 2 = 20 marks)

1. What are the functions of accounting?
2. What is provision for Doubtful Debts?
3. When can a company commence its business?
4. What is forfeiture of shares?
5. Define Ratio Analysis.
6. What do you understand by Analysis and Interpretation of Financial Statements?
7. What is the classification of manufacturing costs?
8. What are fixed and flexible budgets?
9. Define Marginal Costing.
10. What are the uses of codification?

PART B — (5 × 16 = 80 marks)

11. (a) Explain the importance of various accounting concepts and conventions.

Or

- (b) "Management Accounting is the best tool for the management to achieve higher profits and efficient operations". Discuss.
12. (a) Prepare, Trading and Profit and Loss Account as on 31.12.2009 from the Trial Balance and additional adjustment information extracted from the books of a person.

Trial Balance on 31.12.2009

Debit balances	Rs.	Credit balances	Rs.
Cash in hand	1,200	Discount	800
Purchases	1,62,500	Sundry Creditors	18,200
Opening Stock	26,700	Sales	2,60,000
Sundry Debtors	32,000	Returns outwards	500
Salaries	16,000	Bills Payable	8,000
Wages	12,000	Bank Overdraft	4,000
Carriage inwards	6,000	Karman's Capital	24,900
Carriage Outwards	2,600		
Postal Expenses	1,400		
Fuel and Power	6,000		
Furniture	3,000		
Returns inwards	2,000		
Office Expenses	4,000		
Interest	1,000		
Land and Buildings	10,000		
Plant and Machinery	30,000		
	<u>3,16,400</u>		<u>3,16,400</u>

Adjustments :

- (i) Salary outstanding Rs. 2,000; Wages outstanding Rs. 1,000.
- (ii) Depreciate: Land and Buildings 3%; Plant and Machinery 10%; Furniture 15%
- (iii) Reserve for Doubtful debts 5% on debtors.
- (iv) Closing stock was valued at Rs. 40,000.

Or

- (b) Describe the allotment of shares. Explain the statutory restrictions imposed on allotment of shares.

13. (a) Discuss the methods of Financial Statement Analysis.

Or

- (b) The following is the Balance Sheet of a company as on 31st March:

Liabilities	Rs.	Assets	Rs.
Share Capital	2,00,000	Land and Buildings	1,40,000
Profit & Loss Account	30,000	Plant and Machinery	3,50,000
12% Debentures	40,000	Stock	2,00,000
Sundry Creditors	4,20,000	Sundry Debtors	1,00,000
Bills payable	1,00,000	Bills receivable	10,000
	50,000	Cash at Bank	40,000
	<u>8,40,000</u>		<u>8,40,000</u>

Calculate :

- (i) Current Ratio
- (ii) Quick Ratio
- (iii) Inventory to Working Capital
- (iv) Debt to Equity Ratio
- (v) Proprietary Ratio.

14. (a) "A sound costing system must place the same emphasis on cost control as on cost ascertainment". Comment on the statement.

Or

- (b) The following budget estimates are available from a factory working at 50% of its capacity :

Variable expenses Rs. 60,000

Semi- variable expenses Rs. 20,000

Fixed expenses Rs. 10,000

Prepare a budget for 75% of the capacity assuming that semi-variable expenses increase by 10% for every 25%.

15. (a) Explain the advantages of Prepackaged Accounting Software.

Or

- (b) Discuss the significance of Computerized Accounting System.