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Question Paper Code : 70306

M.B.A. DEGREE EXAMINATION, MAY/JUNE 2013.

First Semester

BA 9206/BA 916/UBA 9106 — ACCOUNTING FOR MANAGEMENT

(Regulation 2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

1. State the limitations of accounting principles.
2. What is inflation accounting?
3. What is preferential allotment?
4. Mention any two methods of alteration of share capital.
5. What are financial statements?
6. What are the sources of cash inflows?
7. What is activity based costing?
8. Define variance.
9. State the needs for codifying the accounts.
10. How is computerised accounting system different from manual accounting system?

PART B — (5 × 16 = 80 marks)

11. (a) Define human resource accounting. What are the objectives of human resource accounting? How is it important to the business?

Or

- (b) What do you mean by accounting concepts and conventions? Briefly explain important conventions.

12. (a) Discuss the provisions relating to Buy-back of securities under the Companies Act, 1956.

Or

- (b) From the following trial balance, prepare trading and profit and loss a/c and balance sheet.

Capital		14,00,000
Bank loan		3,00,000
Equipment	10,00,000	
Motor van	2,00,000	
Furniture	3,00,000	
Creditors		4,80,000
Bills payable		4,40,000
Bills receivable	4,00,000	
Debtors	10,00,000	
Cash in hand	24,000	
Opening stock	7,00,000	
Purchases	24,00,000	
Rent	2,00,000	
Salaries	3,76,000	
Sales		40,00,000
Interest on bank loan	20,000	
	<u>66,20,000</u>	<u>66,20,000</u>

13. (a) What is meant by analysis and interpretation of financial statements? Explain the various methods used for the analysis and interpretation of financial statements.

Or

- (b) From the following balance sheets of Gupta Co., you are required to prepare fund flow statement for the year ended 31-12-2008.

Liabilities	2007	2008	Assets	2007	2008
Share capital	70,000	74,000	Debtors	14,900	17,700
Debentures	12,000	6,000	Stock	49,200	42,700
Creditors	10,360	11,840	Cash	9,000	7,800
P&L a/c	10,040	10,560	Land	20,000	30,000
Reserve for			Goodwill	10,000	5,000
Doubtful debts	700	800			
	<u>1,03,100</u>	<u>1,03,200</u>		<u>1,03,100</u>	<u>1,03,200</u>

Additional information :

- (i) Dividend paid ₹ 3,500
- (ii) Land was purchased during the year for ₹ 10,000.

14. (a) Explain some of the important applications of marginal costing for managerial decisions.

Or

- (b) From the following prepare the process costing sheet. The production of each process is moved to the next process on completion.

	Process X	Process Y	Process Z
Wages and materials	30,400	12,000	29,250
Works overhead	5,600	5,250	6,000
Production in units	36,000	37,500	48,000
Opening Stock (units from preceding process)	—	4,000	16,500
Closing Stock (units from preceding process)	—	1,000	5,500

15. (a) Describe the features and significance of computerized accounting system.

Or

- (b) Explain the merits and demerits of maintaining computerised accounts in spread sheet.