

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA – SEMESTER –I-EXAMINATION – WINTER-2022

Subject Code: 4519201**Date: 21/02/2023****Subject Name: Management Accounting****Time:10:30 AM TO 01:30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.
4. Use of simple calculators and non-programmable scientific calculators are permitted.

- Q.1 Explain following terms in brief: 14**
- 1) Rules of Debit/Credit
 - 2) IFRS
 - 3) Contingent Liability
 - 4) Unit Costing
 - 5) Retrospective effect
 - 6) Goodwill
 - 7) Trade Discount V/s. Cash Discount
- Q.2 (a) Financial Accounting V/s Management Accounting 07**
- Q.2 (b) Pass the necessary journal Entries in the books of Hirva Enterprise 07**
- | | |
|--------|--|
| Nov 1 | Started the business with Cash in Hand Rs. 50,000, Furniture of Rs. 8,000 and Machinery of Rs. 25,000 |
| Nov 3 | Purchase the goods from Mr. Ram of Rs.2000 with 10% Trade Discount and 5 % Cash Discount, Hirva paid half of the amount. |
| Nov 5 | Sold goods to Mr. Shiv of Rs. 1,520 |
| Nov8 | Paid Salary of Rs 12,000/- |
| Nov 9 | Purchased Television of Rs. 15,000/- for home. |
| Nov 11 | Shiv Paid Rs. 1,500/- in full settlement. |
| Nov 13 | Paid Electricity bill of Rs. 800 through GPAY |
- OR**
- Q.2 (b) What is Cost? Write a short-note on various Cost associated with the business 07**
- Q.3 (a) Explain various accounting concepts and conventions with examples 07**
- Q.3 (b) On 1st, October, 2019 Hari corporation purchased machinery for Rs. 2,80,000 and spent Rs. 20,000 for the Installation. On 1st, October, 2021 company sold this machinery by Rs. 2,00,000 and purchased another machinery of Rs. 1,20,000 on the same day. 07**
- Depreciation was provided @ 10% per annum by Written Down Value Method. Accounting year of company is from April to March Prepare the Machinery A/c from 2019-20 to 2021-22.
- OR**
- Q.3 (a) What are the main objectives of Ratio Analysis? Discuss the different category of Ratio. 07**

- Q.3 (b)** Prepare Common Size Statement from the Balance Sheet of Brinda Corporation from the following details. **07**

Liability	2021-22	2020-21	Assets	2021-22	2020-21
Equity Capital	2,25,000	3,55,000	Land	2,50,000	4,15,000
Reserve & Surplus	1,20,000	1,70,000	Building	55,000	1,05,000
Bank Loan	70,000	1,15,000	Investment	1,40,000	2,45,000
Bank O/D	10,000	70,000	Bills Receivable	95,000	60,000
Bills Payable	1,85,000	1,95,000	Stock	55,000	80,000
O/S Exp	60,000	60,000	Cash-Bank	75,000	60,000
Total	6,70,000	9,65,000		6,70,000	9,65,000

- Q.4 (a)** Madhav Corporation has the following inventory, purchases and sales data for Aug-2022 **07**

Inventory on 01-Aug 500 units @ 5
Purchased on 05-Aug 600 units @6
Purchased 11-Aug 400 units @7
Purchased on 23-Aug 400 units @8
Purchased on 25-Aug 500 units @9
Issued on 09-Aug 400 units
Issued on 18-Aug 500 units
Issued on 20-Aug 400 units
Issued on 28-Aug 500 units

Apply Weighted Average Method of Inventory Valuation to compute the value of closing inventory and prepare the stock register

- Q.4 (b)** What is Break Even Analysis? Discuss the usage of BEP analysis in real Business world. **07**

OR

- Q.4 (a)** Following are the details of Ansh Corporation **07**

Liability	2020-21	2021-22	Assets	2020-21	2021-22
Capital	7,39,000	6,15,000	Machinery	6,00,000	5,00,000
Creditors	29,000	25,000	Building	1,00,000	80,000
			Cash	40,000	30,000
			Debtors	20,000	17,000
			Stock	8,000	13,000
Total	6,70,000	9,65,000		6,70,000	9,65,000

Additional Information:

- There were no Drawings
 - There were no purchases or sale of buildings or other fixed assets.
- You are required to Prepare a statement of cash flow.

- Q.4 (b)** Which kind of decisions involved in the real business world. Explain it with suitable examples. **07**

- Q.5** Divya Corporation produces Small Toy named “Gotu” and it’s obtained after three distinct processes. The following information is available for the month of March, 2012: **14**

Particulars	Total`	Processes		
		I	II	III
Material Consumed	22,626	7,800	5,940	8,886
Direct Labour	27,000	6,000	9,000	12,000
Production Overheads	27,000	–	–	–

3000 units of Raw Material at Rs.3 per unit were introduced in Process I. The actual output and normal loss of the respective processes are:

Processes	Output in Units	Normal Loss on Inputs	Value of Scrap per unit (Rs.)
Process I	2850	5%	2
Process II	2520	10%	4
Process III	2250	15%	5

There is no stock or work-in-progress in any process. You are required to prepare Process A/c of all three processes and Normal Loss A/c.

OR

Q.5 The following is the information of Nitya Ltd.

14

Year	Sales (Rs.)	Profit (Rs.)
2019-20	2,00,000	20,000
2020-21	2,40,000	28,000

Find Out

1. P/V.Ratio
2. Fixed Cost
3. B.E.P (Rs)
4. Figure of Profit when sales are of Rs. 3,00,000
5. Figure of Margin of Safety when sales are of Rs. 4,00,000
6. Figure of sales to earn a profit of Rs. 1,50,000
7. Figure of sales at a loss of Rs. 2,00,000
