

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA(PART TIME) SEMESTER– I EXAMINATION – WINTER 2019****Subject Code: 4519904****Date: 24-12-2019****Subject Name: Management Accounting****Time: 10:30 AM TO 1.30 PM****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q1.** Define the terms: **14**
- (a) Assets
 - (b) Capital
 - (c) Drawings
 - (d) Goods
 - (e) Marginal Cost
 - (f) Key Factor
 - (g) Break-Even Point
- Q2.** (a) State the difference between Management Accounting and Financial Accounting. **07**
- (b) Write a short-note on International Financial Reporting Standards (IFRS). **07**
- OR**
- (b) Write a short-note on Process Accounting. **07**
- Q3.** (a) Define Generally Accepted Accounting Principles and explain with example the following concepts. **07**
1. Business Entity Concept
 2. Money Measurement Concept
 3. Going Concern Concept
- (b) Write a note on Ratio Analysis. **07**
- OR**
- Q3.** (a) A firm purchased on 1st January, 2004 certain Machinery for Rs.58,200 and spent Rs.1,800 on its erection. On 1st July, 2004 additional machinery costing Rs.20,000 was purchased. On 1st July, 2006 the machinery purchased on 1st January, 2004 having become obsolete was auctioned for Rs.28,600 and on the same date fresh machinery was purchased at a cost of Rs.40,000. Depreciation was provided for annually on 31st December at the rate of 10% on written down value. Give the machinery Account as it would stand at the end of 2006. **07**
- (b) Journalize the following transactions in the books of Mr.Ranbir Kapoor for March, 2018. **07**
1. Ranbir started business with Cash Rs.10,000; Furniture Rs.20,000; Plant Rs.30,000 and Goods Rs.20,000.
 2. He purchased goods of the invoice value of Rs.10,000 at 10% trade discount from Suresh.
 3. He supplied goods costing Rs.1,000 to Ramesh at a invoice price of 10% above cost at a trade discount of 5%.
 4. He installed further machinery of Rs.20,000 and paid wages for installation Rs.2,000. The machinery was supplied by M/s. Surya Brothers.
 5. He purchased stationery for business purposes Rs.500.
 6. He sold goods to Sidharth for Rs.5,000.

7. He withdrew goods for personal use costing Rs.5,000 (Sales Value Rs.6,000).

- Q4. (a)** The accounts of Sanjay Ltd for the year ended December, 2017 show the following information. The units produced are 1,000. Make out the cost-sheet and find the cost, sales and profit per unit. **07**

Particulars	Rs.	Particulars	Rs.
Drawing Office Salaries	6,500	Counting House Salaries	12,600
Carriage Outwards	4,300	Carriage on Purchases	7,150
Office Salaries	6,500	Repairs to P&M	4,450
Material Purchased	1,85,000	Salesman's Travelling Expenses	2,100
Salesman's Salary	7,700	Productive Wages	1,26,000
Depreciation on Plant and Machinery	6,500	Depreciation on Furniture	300
Rent, Rates, Taxes and Insurance Factory	8,500	Rent, Rates, Taxes and Insurance Office	2,000
Director's Fees	6,000	Gas and Water (Factory)	1,200
Gas and Water (Office)	400	Manager's Salary (3/4 th Factory and 1/4 th Office)	10,000
General Expenses	3,400	Stock of Material (31 st December 2016)	62,800
Stock of Material (31 st December 2017)	48,000	Sales	4,61,100

- Q4. (b)** The following are the details regarding the receipts and issues of Material X in respect of a firm. Prepare stock register as per perpetual inventory system based on the LIFO and WAM method: **07**

Date (January)	Particulars	Units	Rs.
1	Balance	50	4
5	Purchases	40	3
8	Purchases	30	4
15	Purchases	20	5
26	Purchases	40	3
10	Issues	70	---
12	Issues	10	---
20	Issues	20	---
24	Issues	10	

OR

- Q4. (a)** From the following balance-sheet of Sunil Ltd. prepare a horizontal comparative balance sheet and interpret the overall results: **07**

Liabilities	2006	2007	Assets	2006	2007
Equity Share Capital	2,20,000	2,50,000	Buildings	1,40,000	1,70,000
Debentures	1,00,000	1,20,000	Machinery	1,20,000	1,50,000
Reserves and Surplus	60,000	80,000	Furniture	60,000	40,000
Creditors	40,000	25,000	Debtors	40,000	60,000
Bills Payable	35,000	40,000	Marketing Securities	55,000	30,000
Outstanding Expenses (Misc.)	20,000	---	Stock	40,000	55,000

			Cash Balances	20,000	10,000
Total	4,75,000	5,15,000	Total	4,75,000	5,15,000

- Q4. (b)** In its manufacturing operations, Sugandh Company Ltd., uses a component, that can be purchased from a supplier for Rs.20 per unit. The same component, is manufactured by the company at the following unit cost: **07**

Particulars	Rs.
Direct Material	5.00
Direct Labour	6.00
Variable Overhead	(125% of Direct Labour)
Fixed Overhead	(75% of Direct Labour)
Total Unit Cost	23.00

Give your suggestion whether to make or buy this component.

- Q5. (a)** From the following Trial Balance and additional information, you are required to prepare a Vertical Profit and Loss and Vertical Balance-Sheet: **07**

Particulars	Debit (R.s)	Credit (Rs.)
Capital	---	20,000
Debtors	5,400	
Drawings	1,800	
Machinery	7,000	
Creditors	---	2,800
Productive Wages	10,000	
Purchases	19,000	
Opening Stock	4,000	
Bank Balance	3,000	
Carriage Charges	300	
Salaries	400	
Rent and Taxes	900	
Sales	---	29,000
Total	51,800	51,800

1. Closing Stock is worth Rs.1,200.
2. Outstanding Rent and Taxes is Rs.100.
3. Charge Depreciation on Machinery @ 10%.
4. Wages prepaid is worth Rs.400.

- Q5. (b)** From the following information calculate the Break-Even Point and Break-Even Sales (in Rs.) and the turnover (in units and Rs.) required to earn a profit of Rs.60,000. **07**

Fixed Overheads=Rs.42,000.

Variable Overheads=Rs.4 Per Unit

Selling Price= Rs.10 Per Unit

If the company is earning a profit of Rs.60,000 express the Margin of Safety (in units and Rs.) available to it.

OR

- Q5. (a)** From the following balances ending on 31st December, you are required to calculate cash from operations. **07**

Particulars	2006	2007
Debtors	50,000	47,000
Bills Receivable	10,000	12,500
Creditors	20,000	25,000
Bills Payable	8,000	6,000
Outstanding Expenses	1,000	1,200
Prepaid Expenses	800	700
Accrued Income	600	750

Income Received in Advance	300	250
Profit made during the year	---	1,30,000

Also state the reasons for the preparing the cash-flow.

Q5. (b) Post the following into ledgers and prepare the trial-balance.

07

Sr. No.	Particulars	Debit	Credit
1	Cash A/c	80,000	
	To Revenue from Consultancy Services A/c		80,000
2.	Arjun A/c	10,000	
	Cash A/c	20,000	
	To Revenue from Consultancy Services		30,000
3.	Depreciation A/c	2,000	
	To Laptop A/c		2,000
4.	Bad-Debts A/c	2,000	
	To Arjun A/c		2,000
5.	Bank A/c	4,000	
	To Cash A/c		4,000

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