



PG – 1078

I Semester M.B.A. Degree Examination, February 2016
(CBCS) (2014-15 & Onwards)
MANAGEMENT
Paper – 1.3 : Accounting for Managers

Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer **any five** of the following questions. **Each** question carries **5** marks. **(5×5=25)**

1. What are the differences between Financial Accounting and Management Accounting ?
2. How is depreciation for partial periods recorded ?
3. What procedure would you adopt to study the liquidity of firm ?
4. Calculate stock turnover ratio from the following data :
Stock at the beginning of the year : Rs. 10,000/-
Stock at the end of the year : Rs. 5,000/-
Purchases : Rs. 25,000/-
Carriage inwards : Rs. 2,500/-
Total Sale : Rs. 50,000/-
Cash Sales : Rs. 5,000/-
5. Define standard costs and briefly indicate how they may be used by management in planning and control.
 - 1) Prepare common-size income statement for 2016 and 2015.
 - 2) What caused Karl's profitability to decline so dramatically in 2016 ?
 - 3) Analysis : in 2016 Karl's operating income was less than its interest expense. Does this mean that Karl was unable to make its interest payments in 2016 ? Explain.
6. How are the following items treated in determining net cash flow from operating activities :
 - a) interest paid
 - b) interest received
 - c) dividend paid

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- d) dividend received
- e) gain on sales of investments
- f) loss on exchange of plant; and
- g) gain on redemption of debenture ?

7. "Expenses are used-up assets". Explain.

SECTION - B

Answer **any three** questions. Each question carries **ten** marks.

(3×10=30)

8. Form the following particulars, calculate;

- I) Break-even point in terms of sales value and in units,
- II) Number of units that most sold to earn a profit of Rs. 1,00,000/-.

Fixed factory overhead cost	1,20,000
Fixed selling overhead cost	2,400
Variable manufacturing cost per unit	24
Variable selling cost per unit	6
Selling price per unit	48

9. What are the differences between current liabilities and long term liabilities ?

10. In Department 'A' the following data is submitted for the week ending 31st October :

Standard output for 40 hours per week	1,400 units
Standard fixed overhead	Rs. 1,400
Actual output	1,200 units
Actual hours worked	Rs. 32 hrs.
Actual fixed overhead	Rs. 1,500

Prepare a Statement of Variance

11. Preparation of Adjusting entries and Financial Statements. Indian Business Service Ltd. was set up on January 1, 2009. Its Trial Balance on January 31, 2009 was as follows :

Account	Debit	Credit
Buildings	15,000	
Office equipment	12,000	