Printed Pages 8 Roll No. : ..

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M. B. A. (First Semester) Examination.
Nov.-Dec. 2025

(New Scheme)

(New Course)

(Management Branch) (5076)

ACCOUNTING for MANAGERS

Time Allowed : Three hours

Maximum Marks : 80

Minimum Pass Marks : 32

***Note** : All units are compulsory. Each unit carry 16 marks. Internal choices are given.*

Unit-I

Attempt any two : (2×8=16)

1. Explain the principle, scope, advantages and limitations of Accounting.

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2. Record the following transactions in Ajay's Journal :

April, 1	Ajay started business with ₹ 70000 cash out of which ₹ 50000 were his own and balance taken loan from Mr. Vijay ₹ 20000.
April, 4	Purchased Furniture for business ₹ 4000.
April, 7	Purchased goods from Anand for cash ₹ 25000.
April, 8	Purchased goods for ₹ 10000 from Azhar at 10% trade discount.
April, 10	Sold Goods to Alok at 5% trade discount, catalogue price ₹ 5000.
April, 14	Alok returned goods of ₹ 500 catalogue price.
April, 22	Sold Goods of ₹ 15000 to Amit at trade discount of 6% and cash discount of 2%.
April, 25	Received an order of goods for ₹ 2700 from Arun.
April, 28	Azhar's account is cleared by paying ₹ 8900 in full settlement of his account.
April, 29	Someone stole ₹ 1000 and is untraceable.

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3. From the following balances taken from the ledger of Shri Ramlal, prepare a Trial Balance as on 31st March 2008 :

		₹
Cash	-	10,000
Trade Debtors	-	15,000
Rent	-	5,000
Salaries	-	8,000
Trade Creditors	-	20,000
Insurance	-	5,000
Drawings	-	5,000
Depreciation	-	1,000
Cost of Goods Sold	-	20,000
Sales	-	2,00,000
Purchase	-	1,00,000
Capital	-	3,39,000
Stock	-	50,000
Machine	-	1,00,000
Building	-	2,00,000

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Vehicle	-	50,000
Bank overdraft	-	10,000

Unit-II

Answer Q.4 and Q.5 (2×8=16) or only Q.6 (1×16=16)

4. What is meant by Profit and Loss Account? Why it is prepared?

5. Discuss the treatment of Outstanding Expenses, Accrued Rent, Outstanding Salary, and Unaccrued Commission.

6. From the following balances, prepare Final Accounts as on 31st. December. 2008.

	₹		₹
Opening Stock	15,310	Capital	2,50,000
Purchase	82,400	Drawings	48,000
Sales	2,56,000	Sundry Debtors	57,000
Returns (Dr.)	4,000	Sundry Creditors	12,000
Returns (Cr.)	2,400	Depreciation	4,200
Factory Rent	18,000	Charity	500
Custom Duty	11,500	Cash Balance	4,460
Coal, Gas and Power	6,000	Current A/c (Dr.)	4,000

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Wages & Salary	36,600	Bank Charges	180
Discount (Dr.)	7,500	Establishment Exp.	3,600
Commission (Cr.)	1,200	Plant	42,000
Bad-Debts	5,850	Leasehold Building	1,50,000
Bad-Debts Recovered	2,000	Sales Tax Collected	2,000
Apprentice Premium	4,800	Goodwill	20,000
Productive Expenses	2.600	Patents	10,000
Unproductive Expenses	5,000	Trade Marks	5,000
Carriage	8,700	Loan (Cr.)	25,000
Interest on Loan	3,000		

The value of Closing Stock on 31st. Dec., 2008 was ₹ 25,400.

Unit-III

Attempt any **two** : (2×8=16)

7. Explain the concept, need and scope of Cost Accounting.

8. The following table is taken from the material record of a concern

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	Material Received (Units)	Price per Unit
Jan 6	400	Rs. 2.50
Jan 11	300	Rs. 2.10
Jan 20	600	Rs. 2.20
Jan 26	800	Rs. 2.00

Issue of materials were as

Jan. 5: 400 units, Jan. 10: 800 units, Jan. 16: 200 units, Jan. 18: 200 units, Jan. 27: 400 units Jan. 31: 500 units

Prepare store account using FIFO method.

9. ABC Ltd. uses EOQ logic to determine the order quantity for its various components and is planning its orders. The Annual consumption is 80,000 units. Cost to place one order is ₹ 1,200. Cost per unit is ₹ 50 and carrying cost is 6% of Unit cost. Find EOQ

Unit-IV

Attempt any **two** : (2×8=16)

10. What is process costing? To which industries is it found suitable?

11. Differentiate between contract costing and unit costing.

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12. Urvashi Enterprises undertook a contract for construction of a building. The contract price was ₹ 5,00,000 and the contract was commenced on 1st April, 2018. The following expenses were incurred during the year:

Materials purchased ₹ 80.000; Materials issued from stores ₹ 1,10,000; Materials received from other contracts ₹ 25.000; Wages paid ₹ 90,000; Indirect expenses ₹ 25.000; Plant &. Machine ₹ 1,00,000; Materials returned to stores ₹ 5,000; Materials returned to other contracts ₹ 7,000; Materials lost by fire ₹ 3,500; Plant & Machine Stolen ₹ 10,000; Materials on site 31.3.2019 ₹ 4,000; Plant on site 31.3.2019 ₹ 8,000; Outstanding wages 31.3.2019 ₹ 5,000; Other outstanding charges 31.3.2019 ₹ 2,500.

The contract was completed on 31st March, 2019 and the contract price was duly received. Prepare contract account and Contractee's account.

Unit-V

Attempt any **two** : (2×8=16)

13. Differentiate between absorption costing and marginal costing.

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14. For producing a commodity the standard quantity of Material was fixed 10 kgs. and standard price was fixed at Rs. 2 per kg. The actual quantity was consumed 12 kg. and the actual price was Rs. 1.90 per kg. Calculate: Material Usage Variance, Material Price Variance and Material Cost Variance.

15. The Ranchi Ltd. has been required for supply of 500 table fans. Company has a capacity to fulfil this number. But it requires a fixed investment of ₹ 25000 and working capital equal to 20% of selling price. The estimated cost will be as

Materials	₹ 120000
Wages	₹ 30000
Variable Overheads	₹ 20000
Variable Selling overheads	₹ 10000
Fixed Expenses	₹ 30000

Assuming P/V ratio be 60%. Determine the sale price of this job under Marginal Costing System.

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