M.P. Birla Institute of Management LIBRARY

62202

Reg. No. | | | | | | | | |

I Semester M.B.A. [Day & Eve.] Degree Examination, July - 2022

MANAGEMENT

Managerial Accounting

(Scheme 2019)

Paper : 1.2

Time : 3 Hours **Maximum Marks : 70**

SECTION - A

Answer any **Five** questions from the following, each question carries **5** marks. **(5×5=25)**

1. What is GAAP? Explain the need for GAAP.
2. What are the objectives of financial statement analysis?
3. Discuss in brief the techniques of cost reduction.
4. Write note on Human Resource Accounting.
5. Draft a projected Balance Sheet of ABC Ltd for the year ending 31st March 2020 & Explain how to Read the B/S.
6. On 1.1.2020, ABC Ltd purchased machinery for Rs. 7,20,000 and spent Rs. 60,000 for instalation charges. On 30.06.2021, it sold a part of machinery costing Rs. 1,80,000 for Rs. 1,20,000. New machinery was purchased on the same day for Rs. 3,00,000 and spent Rs. 60,000 for transportation.

   The depreciation was charged at 10% on W.D.V. method. Prepare machinery account for three years.
7. Prepare flexible budget on the Basis of the following information for the year ended 31.03.2020.

Particulars	Amt.
Direct materials	Rs. 6,00,000
Direct labour	Rs. 4,00,000
Direct expenses	Rs. 2,00,000
Factory over heads (80% fixed)	Rs. 80,000
Selling over head (50% fixed)	Rs. 40,000
Sales	Rs. 20,00,000

During the year the factory was working at 60% capacity. Company want know the budget at 90% capacity for the next year.

[P.T.O.

M.P. Birla Institute of Management LIBRARY

SECTION - B

Answer any **Three** questions from the following, each question carries **10** marks.**(3×10=30)**

8. Discuss the users of accounting information and their informational needs.

9. The Asian Industries specialise in the manufacture of small - capacity motors. The cost structure of a motor is as under.

Material	:	Rs. 50
Labour	:	Rs. 80
Variable over heads	:	75% of labour cost.

Fixed over heads of the company amounts to Rs. 2.40 lakhs per annum. The sale price of the motor is Rs. 230 each.

a) Determine the number of motors that have to be sold in a year in order to Break - even.

b) How many motors to be sold to make profit of Rs. 1,00,000 per year.

c) If the sale price is reduced by Rs. 15 each, how many motors to be sold to break even.

d) If the variable cost increases by 20% what will be the new break even point?

10. The Assets of XYZ Ltd consists of fixed assets and current assets while its current liabilities comprise bank credit and trade credit. From the following figures pertaining to the company for the year 2020-21 prepare balance sheet showing the details of working

Share capital	Rs. 199500
Working capital (CA-CL)	Rs. 45000
Gross margin	20%
Inventory turnover	6
Average collection period :	2 months
Current ratio :	1.5
Quick ratio :	0.9
Reserves and surplus to cash :	3

11. From the following Balance Sheets of Nazaria Ltd and additional information. Prepare a cash flow statement as per AS 3 (revised).

M.P. Birla Institute of Management LIBRARY

	Rs.	Rs.
Liabilities	**31-03-2014**	**31-03-2015**
Equity share capital	12,00,000	15,00,000
General Reserve	3,00,000	3,50,000
P/L Account	1,00,000	1,50,000
9% Debentures	6,00,000	4,00,000
Creditors	4,90,000	5,60,000
Proposed Dividends	1,20,000	1,80,000
Provision for Taxation	1,00,000	1,30,000
Total	**29,10,000**	**32,70,000**
Assets	**Rs.**	**Rs.**
Building	8,00,000	7,60,000
Machinery	5,00,000	7,20,000
Short term investments	3,00,000	4,50,000
Inventories	4,00,000	4,70,000
Debtors	6,70,000	5,30,000
Cash at bank	2,20,000	3,30,000
Pre - paid expenses	20,000	10,000
Total	**29,10,000**	**32,70,000**

Additional Information :

1. Debentures were redeemed at a premium of 10% on 1st April 2014.
2. Income Tax paid during the year amounted to Rs. 1,40,000.
3. A machine which appeared at a WDV of Rs. 80,000 was sold for Rs. 1,30,000 and a new machine costing Rs. 3,60,000 was acquired during the year.

M.P. Birla Institute of Management LIBRARY

SECTION - C

Case Study

12. Answer the following (Compulsory). **(1×15=15)**

From the followng trial balance of Amit Trading Company Ltd., prepare financial statements for the year ended 31st March, 2020,

Debit Balance	Rs.	Credit Balance	Rs.
Debenture Interest Paid	30,000	Share Capital	20,00,000
Calls in arrears	1,00,000	General Reserve	1,20,000
Purchases	10,00,000	Debenture Redemption	80,000
Opening Stock	1,60,000	Reserve	4,00,000
Debtors	4,00,000	10% Debentures	1,60,000
Prepaid Insurance	60,000	Public Deposits	40,000
10% Government Loan	2,00,000	Purchase Return	24,00,000
Land & Building	28,00,000	Sales	60,000
Plant & Machinery	4,60,000	Creditors	20,000
Sales Return	50,000	Unclaimed Dividend	36,000
Salary & Office Expense	1,40,000	Bad Debts Reserve	84,000
		Profit and Loss A/c (1.4.2019)	
Total	**54,00,000**	**Total**	**54,00,000**

Additional Information.

i) Closing stock Rs. 80,000.

ii) Make provision for taxation at 40% of profit.

iii) Make provision for Bad debt at 10% on Debtors.

iv) Proposed dividend 10% on share capital, after transfering 40,000 to General Reserve.

Prepare the final accounts as per Schedule III of Companies Act, 2013.
