PG – 700

I Semester M.B.A. (Day) Examination, May/June 2025
(CBCS) (2021-22 and Onwards)
MANAGEMENT
Paper – 1.3 : Accounting for Managers
Equivalent to Paper – 1.3 : Accounting for Managers (CBCS) (2014-15)

Time : 3 Hours Max. Marks : 70

SECTION – A

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

1. Identify various User-groups of Accounting Information. State briefly their informational needs.

2. What are the objectives of Financial Statement Analysis ? State the limitations of Financial Statements.

3. Write a brief note on Du-Pont analysis.

4. From the following data calculate breakeven point.
   i) Budgeted output (in units) is 80,000
   ii) Fixed cost is 8,00,000
   iii) Selling price per unit is Rs. 46
   iv) Variable cost per unit is Rs. 26.

   If the selling price is reduced to Rs. 40 per unit, what will be the revised breakeven point ?

5. Prepare a common size income statement and give your comments.

Rs. in 000's	Sales	Cost of goods sold	Admn. Expenses	Selling Expenses	Net profit
31.03.2023	1,000	600	150	100	150
31.03.2024	1,500	750	225	175	350

6. The details given below is related to 60% capacity, when the production was 6,000 units

   Materials – Rs. 100 per unit

   Labor – Rs. 50 per unit

   Variable overheads – Rs. 15 per unit

   Factory expenses – 5,00,000 (60% variable)

   Administrative expenses – 3,50,000 (40% fixed)

   Prepare a flexible budget showing marginal cost and total cost for 50% and 70% capacity.

P.T.O.

7. Mr. X furnishes the following data relating to the manufacture of a standard product during the month of April 2024.

Particulars	**Rs.**
Raw material consumed	1,20,000
Direct labor charges	72,000
Machine hours worked	7,200
Machine hour rate	10
Administrative overheads	20% on works cost
Selling overheads	2 per unit
Units produced	10,000
Units sold	9,000 at Rs. 40 per unit

You are required to prepare a cost sheet from the above, showing

a) Cost per unit

b) Profit per unit sold and profit for the month.

SECTION – B

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

8. What is Indian Accounting Standards (IND AS), explain the objectives and advantages of Indian Accounting Standards.

9. Explain in brief the different tools used in Financial Statement Analysis.

10. From the following information prepare and summaries balance sheet as on 31st March 2025

Stock turnover ratio	:	6
Fixed assets turnover ratio	:	4
Capital turnover ratio	:	2
Gross profit	:	20%
Debt collection period	:	2 months
Creditor's payment period	:	73 days

The gross profit was Rs. 60,000, closing stock was Rs. 5,000 in excess of opening stock. All workings should form part of your answer.

11. Following are the summarized balance sheet of a Company Ltd. as on 31/03/2023 and 31/03/2024.

	31-03-2023	**31-03-2024**
Capital and Liabilities :		
Share capital	5,00,000	5,00,000
General Reserve	1,50,000	1,25,000
Profit and Loss A/c	76,500	76,250
Term Loan	1,55,000	1,75,000

Sundry Creditors	2,31,250	2,75,000
Provision for taxation	76,250	84,250
Total	**11,89,000**	**12,35,500**
Assets and Property :		
Premises	4,75,000	5,00,000
Machinery	4,22,500	3,75,000
Equipments	40,500	45,000
Stock	74,000	1,00,000
Sundry Debtors	1,60,000	2,00,000
Cash	7,000	3,000
Bank	10,000	–
Goodwill	–	12,500
Total	**11,89,000**	**12,35,500**

Additional information :

1) Interim dividend paid Rs. 25,000
2) Depreciation on premises is provided at 5%
3) Machinery of Rs. 75,000 was acquired during the year
4) Income tax provision for the year was Rs. 75,000

Prepare cash flow statement.

SECTION – C

12. **Compulsory** Case Study : **(1×15=15)**

The following is the Trial balance of Wonderful Company Ltd. as at 31/03/2024. Prepare a profit and loss account and the balance sheet in vertical form :

Particulars	**Dr.**	**Cr.**
Authorised Capital (50,000 shares of Rs. 10 each Rs. 5,00,000)		
Subscribed capital (10,000 shares of Rs. 10 each)		1,00,000
Call in arrears	6,400	
Land	10,000	
Building	25,000	
Machinery	15,000	
Furniture	3,200	
Carriage	2,300	
Wages	21,400	
Salaries	4,600	