

(7 pages)

**S.No. 5501**

**P 8 MBA 6**

(For candidates admitted from 2008–2009 onwards)

M.B.A. DEGREE EXAMINATION, NOVEMBER 2014

Business Administration

MANAGEMENT ACCOUNTING

Time : Three hours

Maximum : 75 marks

SECTION A — (5 × 5 = 25)

Answer ALL questions.

1. (a) What is meant by Management Accounting and its scope?

Or

- (b) What are basic accounting concepts?

2. (a) State the performa of balance sheet.

Or

- (b) Write on how to construct the company's Profit and Loss Account?

3. (a) What is cost reduction and cost control?

Or

- (b) Explain the concept of cost drivers.

4. (a) What is the difference between allocation and apportionment of overheads?

Or

- (b) What is absorption of overheads?

5. (a) Define budget and budgetary control.

Or

- (b) How is breakeven point calculated?

SECTION B — (5 × 10 = 50)

Answer ALL questions.

6. (a) Prepare trading and profit and loss account and balance sheet from the following data of ABC and Co. Trial Balance as on 31.3.2005

Sr. No.	Particulars	Debit Rs.	Credit Rs.
1	Sales		3,00,000
2	Plant and Machinery	1,20,000	
3	Rent, rates and taxes	20,000	
4	Sales Return	30,000	
5	Freight	4,000	
6	Accounts receivable	70,000	
7	Opening inventory	1,20,000	
8	Purchases	2,30,000	

9	Discount paid	5,000	
10	Interest on bank loan	5,000	
11	Salaries	70,000	
12	Cash in hand	5,000	
13	Purchases Returns		10,000
14	Bank loan		1,50,000
15	Capital		1,81,500
16	Accounts payable		40,000
17	Bills Payable		26,000
18	Legal charges	500	
19	General expenses	8,000	
20	Cash at bank	20,000	
	Total	<u>7,07,500</u>	<u>7,07,500</u>

## Adjustments:

- (i) Closing stock on 31.3.2005 was costing Rs. 1,20,000 whereas it's market value was 1,50,000
- (ii) Interest on loan bank was outstanding Rs. 7,000
- (iii) Depreciate plant and machinery at 10%
- (iv) The owner of ABC and Co has withdrawn the goods worth Rs.20,000 for personal use on 30.3.2005. The accountant has forgotten to give the effective of the same in the books while preparing trial balance.

Or

- (b) From the following particulars, you are required to pass Journal entries in the books of X Ltd.

Materials purchased on credit :

Rs. 1,48,000

Wages paid: Rs. 1,68,000

Wages productive: Rs. 1,48,000

Wages unproductive: Rs. 20,000

Materials issued to production: Rs. 1, 28, 000

Works express incurred: Rs. 65, 000

Works expenses charged to production :

Rs. 86, 000

Office and administration expenses paid:

Rs. 44, 000

Office and administration expenses charged

to production: Rs. 43, 500

Selling overheads paid: Rs. 45,000

Selling overheads charged to sales: Rs. 45,000

Sales credit: Rs. 3,90,000

