

(6 pages)

S.No. 5501 C

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

Answer ALL questions.

PART A — (5 × 5 = 25)

1. (a) Differentiate between Trial Balance and Balance Sheet.

Or

(b) State the rules of double entry system.

2. (a) What are the advantages of subsidiary books?

Or

(b) What do you understand by adjustment entry? Give two examples.

3. (a) Explain the nature of financial statements.

Or

(b) Give the format of a cost sheet.

4. (a) What do you mean by allocation and apportionment?

Or

(b) Explain overhead with examples.

5. (a) Explain the features of standard costing.

Or

(b) State the objectives of budgetary control.

PART B — (5 × 10 = 50)

6. (a) Define double entry system and discuss its characteristics.

Or

(b) From the particulars prepare necessary subsidiary books :

Purchased from Gowri Rs. 18000

Sold to Ram Rs. 15,000

Sasi sold goods to us Rs.12,000

Ahmed purchased goods from us Rs. 10,800

Goods returned to Gowri Rs. 2,000

Goods returned by Ram Rs. 2,000

Goods returned to Sasi Rs. 1,200

Goods returned by Ahmed Rs. 800

Purchased from Gowtham Rs. 20,000

Sold to Ramji Rs. 25,000.

7. (a) Who are interested in financial statements and for what purposes?

Or

- (b) From the following prepare Trading and Profit and Loss Account and Balance Sheet.

Capital	2,00,000
Drawings	12,000
Sales	2,50,000
Purchase Return	4,000
Sundry Creditors	23,000
Bills Payable	11,000
Purchases	1,45,000
Sales Returns	6,000
Wages	26,000
Carriage inwards	4,000
Salaries	48,000
Office expenses	9,000
Bills receivable	12,000
Opening stock	12,000
Advertisements	18,000
Debtors	34,000
Plant	80,000
Cash in hand	4,000
Cash at bank	32,000
Machinery	70,000

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Adjustments :

- (i) Closing stock Rs. 22,000
(ii) Outstanding salaries Rs. 2000
(iii) Depreciate Machinery at 5%.

8. (a) Explain valuation of materials under FIFO and LIFO.

Or

- (b) ANJA Ltd is a manufacturing company having two production departments A and B and two service departments X and Y. Calculate the overhead applicable to production departments and service departments.

	A	B	X	Y
Area (sq.ft)	5,000	4,000	1,000	2,000
Value of assets (Rs. in lakhs)	10	5	3	1
No. of workers	100	50	20	25
HP of machines	1000	500	400	100
Light points	50	30	20	20

Expenses are :

Depreciation	Rs. 1,90,000
Rent, rates	Rs. 36,000
Insurance	Rs. 15,200
Power	Rs. 20,000
Electricity	Rs. 4,800

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[P.T.O.]

