

MMPC-004

MBA and MBA (Banking & Finance)

MMPC-004: ACCOUNTING FOR MANAGERS

ASSIGNMENT

For

July 2021 and January 2022 Sessions

*(Last date of submission for July 2021 Session is 30th November 2021 and for
January 2022 Session is 30th April 2022).*



**School of Management Studies
INDIRA GANDHI NATIONAL OPEN UNIVERSITY
MAIDAN GARHI, NEW DELHI – 110 068**

ASSIGNMENT

Course Code	:	MMPC-004
Course Title	:	Accounting for Managers
Assignment Code	:	MMPC-004/TMA/ 2021-22
Coverage	:	All Blocks

Note: Attempt all questions and submit this assignment to the coordinator of your study centre.
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Q 1. From the following Trial Balance prepare Trading and Profit and Loss Account for the year ended 31st December, 2020 and Balance Sheet as on that date:

	Dr. (Rs.)	Cr. (Rs.)
Drawings	10,000	---
Stock on 01/01/2019	46,000	---
Purchases and Purchases Returns	1,50,200	600
Cash in Hand	3,400	---
Bank Balance	22,660	---
Freehold Premises	38,600	---
Trade Expenses	840	---
Printing, stationery and Advertising	1,640	---
Professional Charges	280	---
Commission Received	--	3,300
Investments as on 1 st Jan. @ 10%	4,000	---
Interest on above	--	200
Sundry Debtors and Creditors	36,000	29,000
Wages	25,000	---
Salaries	14,000	---
Capital	--	1,14,000
Income Tax	1,600	---
Discount allowed and received	6,300	4,600
Sales Returns and Sales	550	2,08,950
Bills Receivable /Bills Payable	3,200	10,000
Office furniture	3,050	---
Rent, Rates and Insurance	4,000	---
Bad Debts Provisions	--	670
Total	3,71,320	3,71,320

Adjustments:

- (a) Provide for wages Rs. 5,000.
- (b) Write Off 5% depreciation on freehold premises and 10% on office furniture.

- (c) Insurance to the extent of Rs. 200 relates to 2021.
- (d) Stock on 31.12.2020 is Rs. 5,20,00.
- (e) Charge interest on capital 5% and on drawings Rs. 300.
- (f) Further bad debts are Rs. 1,000.
- (g) Provide for doubtful debts @ 5% on sundry debtors.
- (h) Make provisions for discount on debtors and reserve for discount on creditors @2%.
- Q2. What is activity based costing (ABC)? How product costs are determined in ABC? Discuss the benefits of ABC.
- Q3. What is variance? Explain the need for variance control and discuss the importance of variance control in operational and management control.
- Q4. From the following information presented by a firm for the year ended 31st December, prepare the Balance Sheet:

Sales to Net Worth	5 Times
Current Liabilities to Net Worth	50%
Total Debts to Net Worth	60%
Fixed Assets to Net Worth	60%
Current Ratio	2
Sales to Stock	10Times
Debtor's Velocity	9 Times
Annual Sales	Rs. 15,00,000
Cash Sales	40% of Sales

- Q5. What is Forensic Accounting? Explain the method of fraud detection and discuss the techniques used for forensic audit.