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MMPC-004

**MASTER OF BUSINESS
ADMINISTRATION/MASTER OF
BUSINESS ADMINISTRATION
(BANKING/FINANCE) (MBA/MBF)**

Term-End Examination

December, 2021

MMPC-004 : ACCOUNTING FOR MANAGERS

Time : 3 Hours

Maximum Marks : 100

(Weightage 70%)

Note : (i) Attempt any **five** questions.

(ii) All questions carry equal marks.

1. From the following figures extracted from the books of M/s. Silent and Humming Ltd. you are required to prepare :

(i) Trading A/c

(ii) Profit & Loss A/c for the year ended 31/3/2021

(iii) Balance Sheet as on 31/3/2021

Incorporate the effect of adjustments in these financial statements which are given :

Particulars	Amount (₹)
Capital	4,57,600
Drawings	26,400
Plant and Machinery	1,98,000
Freehold property	1,32,000
Purchases	2,20,000
Return outwards	2,200

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Salaries	26,400	Freight	19,800
Office expenses	5,500	Loose tools	44,000
Office furniture	11,000	Factory lighting	2,200
Discount given	2,640	Provision for doubtful debts	1,760
Sundry debtors	58,520	Interest on loan to Alice	2,200
Loan to Alice @ 10% per annum	88,000	Cash in hand	5,280
Balance on 1/4/2020		<i>Adjustments :</i>	
Cash at bank	58,520	(i) Stock on 31-3-2021 was ₹ 1,45,200.	
Bills Payable	11,000	(ii) A new machine was installed during the	
Sales	4,62,880	year costing ₹ 30,800, but it was not	
Stock as on 1/4/2020	77,000	recorded in the books as no payment was	
Wages	70,400	made for the same. Wages of ₹ 2,200 paid	
Sundry creditors	88,000	for its erection have been debited to wages	
Interest charges	3,080	account.	
Insurance	3,520	(iii) Depreciate plant and machinery by $33\frac{1}{3}\%$,	
Gas and Fuel	5,940	furniture by 10% and freehold property by	
Bad debts	1,320	5%.	
Office rent	5,720		

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- (iv) Loose tools were valued at ₹ 3,520 on 31-3-2021.
- (v) Of the sundry debtors ₹ 1,320 are bad and should be written off.
- (vi) Maintain a provisions of 5% on sundry debtors for doubtful debts.
2. Explain the basic structure of cash flow statement and describe the meaning of cash and cash equivalents. Discuss in detail the type of activities taken into consideration for preparation of cash flow statement.
3. What do you understand by absorption and marginal costing ? Bring out the major differences among them and discuss the utility and limitation of marginal costing.

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4. What is Cost-Volume-Profit (CVP) analysis ? Explain the interplay of various factors on profit. Discuss the application of profit graph and list the assumptions on which profit graph analysis is carried.
5. What is a budget ? Briefly discuss the types of budgets that would be prepared by a typical business concern. Discuss the significance of budgetary control in modern organisations and describe the control ratios used for this purpose.
6. What is 'Ratio Analysis' ? Describe the various 'Profitability and Liquidity' ratios. Explain the significance of each of these ratios and discuss how these ratios are interpreted.

7. Discuss the following :
- (i) Altman's Z score
 - (ii) DuPont analysis
8. Discuss the major developments that have led to increasing focus on Human Resource function accountability. Explain the cost based methods of Human Resource Accounting.