

**M.Sc. IN LEATHER GOODS AND
ACCESSORIES DESIGN (MSCLGAD)**

00474

Term-End Examination

June, 2014

MFW-054 : MANAGEMENT STUDIES - I

Time : 3 hours

Maximum Marks : 70

*Note : Attempt any **seven** questions. All questions carry equal marks. Use of scientific calculator is permitted.*

1. Deming suggested not to depend upon inspection to improve quality – why ? 10
2. What are the generally accepted accounting principles ? Why is the balance sheet also called the statement of financial position ? How does its purpose differ from that of the income statement ? 10
3. Explain what do you understand by opportunity cost. Give suitable examples. What is the significance of opportunity cost ? 10

4. How does monopolistic competition differ from perfect competition ? Illustrate with some examples. 10
5. What is inflation ? When does the inflationary gap arise ? What are the different methods to control inflation in an economy ? 10
6. What do you mean by planning ? Explain the different steps of planning. 10
7. Pass the Journal entries : 10
- (a) Provide depreciation on furniture ₹ 500.
 - (b) Received cash ₹ 1,000 for Bad debts written off last year.
 - (c) Purchased furniture for ₹ 6,000 paid by cheque.
 - (d) Goods worth ₹ 5,000 given as charity.
 - (e) Ram returns goods worth ₹ 2,000.
 - (f) Sold goods to Rahim for ₹ 7,000.
 - (g) Paid insurance premium of ₹ 10,000.
 - (h) ₹ 4,000 for outstanding salaries.
 - (i) ₹ 500 in Bad debt from Ram.
 - (j) Purchased material from Shiv Kumar of ₹ 3,000 on credit.

8. Classify the following accounts and also mention their accounting rules : 10

- (a) Outstanding rent
- (b) Prepaid expenses
- (c) Insurance
- (d) Building
- (e) Partner's capital A/c
- (f) Z's debtor
- (g) Bank overdraft
- (h) Depreciation
- (i) Mohit (A Purchaser)
- (j) Interest received

9. Rectify the following : 5×2=10

- (a) A credit sale made to Mr. Srini for ₹ 250 was recorded twice in his account.
- (b) Purchase return book was undercast by ₹ 43.
- (c) ₹ 1,000 received from A was posted to the credit of B.
- (d) Goods of ₹ 300 were sold to Manoj, but it was recorded in the Purchase A/c.
- (e) A credit sale of ₹ 527 to Subodh was recorded as ₹ 725.