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MMPC-004

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

Term-End Examination

December, 2022

MMPC-004 : ACCOUNTING FOR MANAGERS

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

Note : Answer any **five** questions. All questions carry equal marks.

1. From the following balances, prepare Trading A/c and Profit & Loss A/c and Balance Sheet of M/s. Calcutta Trading for the year ending 31st March, 2022 :

Debit	`	Credit	`
Purchase	36,000	Capital	60,000
Sundry Debtors	30,000	Bills Payable	30,000
Sales Expenses	1,400	Sundry Creditors	20,000
Insurance	1,200	Loans	20,000

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Cash in hand	5,000	Return Outward	2,000
Cash at Bank	14,000	Sales	60,000
Machinery	20,000		
Building	32,000		
Investment	16,000		
Bills Receivable	6,000		
Wages	10,000		
Carriage on Purchases	2,000		
Rent and Rates	600		
Opening Stock	14,000		
Discount given	600		
Bad Debts	1,000		
Salaries	2,200		
	1,92,000		1,92,000

Make the following adjustments :

- (a) Closing Stock ` 16,000
- (b) Interest on Capital @ 5% per annum
- (c) Charge Depreciation @ 10% on Machinery
and 5% on Building
- (d) Outstanding Salary ` 400

- (e) Prepaid Insurance ` 100
 - (f) Create reserve of 5% on sundry debtors for bad and doubtful debts
2. How are the business activities classified for the purpose of cash flow classification ? Explain the indirect method of preparation of cash flow statement.
 3. What do you understand by cost ? Explain the classification of costs based upon the variability of operations.
 4. What is Activity Based Costing (ABC) ? Discuss the merits and demerits of this system of costing. Explain the application process of this system of costing.
 5. What is Cost-Volume-Profit (CVP) Analysis ? Explain the concept of Profit Graph and discuss the assumptions on which construction of profit graph is based.
 6. What is a budget ? Discuss the concept of budgetary control and explain the process of installing a budgetary control system.

7. What is an Annual Report of a company ? Explain the various heads in which non-audited information is provided in annual report and discuss the significance of such information.
8. What is Human Resource Accounting ? Discuss the major developments that have led to an increasing focus on HR accountability.