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MMPC-004

MASTER OF BUSINESS

ADMINISTRATION (MBA/MBF)

Term-End Examination

June, 2023

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 Trial Balance of M/s. Bombay Trading, prepare a Trading and Profit & Loss A/c for the year ending 31st March, 2022 and also Balance Sheet as on that date :

P. T. O.

Particulars	Dr. Amount (₹)	Cr. Amount (₹)
Capital		1,80,000
Drawings	13,000	
Land and Building	52,000	
Plant and Machinery	28,000	
Furniture and Fixtures	3,000	
Carriage on purchases	8,500	
Wages	43,000	
Salaries	9,400	
Bad debts reserves as on 1-4-2021		5,000
Sales		1,90,000
Sales return	3,600	
Bank charges	3,000	
Taxes	1,700	
Discount received		240
Purchase	80,000	
Bills Receivable	3,000	
Debtors	75,600	
Creditors		24,500

Stock (1-4-2021)	50,000	
Cash in hand	28,000	
Bank loan		2,060
Total	4,01,800	4,01,800

Make the following adjustments :

- (i) Closing stock on 31-3-2022 ₹ 16,000.
 - (ii) Provide 10% depreciation on all fixed assets.
 - (iii) Increase bad debts reserve to ₹ 8,000.
 - (iv) Outstanding salaries ₹ 600.
 - (v) Prepaid taxes ₹ 100.
2. What do you understand by cash and cash equivalents ? Explain the basic structure of Cash Flow Statement and explain the Direct Method of preparation of Cash Flow Statement.
3. Explain the concept of Absorption costing and Marginal costing. Discuss the differences between these two techniques and explain how marginal costing is an improvement over absorption costing. Also discuss the utility and limitation of marginal costing.

4. Write short notes on the following :
 - (i) Margin of Safety
 - (ii) CVP Analysis
 - (iii) Performance Budgeting
 - (iv) Current Liabilities
5. What do you understand by budgeting ? Briefly explain the various types of budgets. Discuss the significance of budgetary control.
6. What is Variance ? Why is variance computed and how can it be controlled ? Explain the process for calculation of Direct Material Cost Variance (DMCV) and list some possible reasons for Direct Material Price Variance and Direct Material Usage Variance.
7. Discuss the importance and significance of information contained in Notes to the Annual Accounts as given in the Annual Report of the company.
8. What is Forensic Accounting ? Explain the concept of Fraud Triangle and discuss the application of Forensic Accounting.