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Total No. of Pages : 03

Total No. of Questions : 07

MBA / MBA (IB) (Sem.–1st)

ACCOUNTING FOR MANAGEMENT

Subject Code : MB-103 (2009 to 2011)

Paper ID : [C0166]

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTION TO CANDIDATES :

1. SECTION-A is COMPULSORY consisting of TEN questions carrying TWO marks each.
2. SECTION-B contains SIX questions carrying TEN marks each and students has to attempt any FOUR questions.

SECTION-A

1. Write short notes on :

- a) Materiality
- b) Accrual Concept
- c) Real accounts
- d) Unit Cost
- e) Indirect Cost
- f) Cost Control
- g) Kaizen Costing
- h) Cost of Sales Adjustment
- i) Sales Budget
- j) Key Factor

SECTION B

2. Distinguish between financial accounting and management accounting. Examine their interrelationship.
3. What do you mean by Cost? Examine the different criteria for classification of cost.

4. What do you mean by zero base budgeting? Explain the procedure for setting up a system of zero base budgeting in an organization.
5. From the following budgeted figures, prepare a Cash Budget in respect of three months to June 30.

	Sales Rs.	Materials Rs.	Wages Rs.	Overheads Rs.
January	160,000	120,000	21,000	7,200
February	156,000	140,000	21,600	7,600
March	164,000	150,000	22,000	7,800
April	180,000	106,000	22,400	7,200
May	184,000	142,000	23,000	8,600
June	176,600	140,000	24,000	8,000

Expected Cash Balance on 1st April Rs. 40,000. Other information:

- (a) Materials and overhead are to be paid during the month following the month of supply.
 - (b) Wages are to be paid during the month in which they are incurred.
 - (c) Terms of Sales - The term of credit sales are payments by the end of the month following the month of sales; 1/2 of the sales are paid when due, the other half to be paid during the next month. 5% sales commission is to be paid within the month following actual sales.
 - (d) Preference dividend for Rs. 40,000 is to be paid on 1st May
 - (e) Share cell money for Rs. 20,000 each is due on 1st April and 1st June.
 - (f) Plant and Machinery worth Rs. 20,000 is to be installed in the month of January and the payment is to be made in the month of June.
6. What are the special features of Tally Software Package in Accounting? Examine the uses of Tally Software Package in Accounting.

7. Expansion Ltd. manufactures automobile accessories and parts. The following are the total costs of processing 1,00,000 units of a component.

Direct material cost	. Rs.5 lakhs
Direct labour cost	Rs.8 lakhs
Variable factory overheads	Rs.6 lakhs
Fixed factory overheads	Rs.5 lakhs

The purchase price of the component in the market is Rs.22. the company is considering to buy this component from the market instead of manufacturing it. The fixed overheads would continue to be incurred even if the component is bought from outside, although there will be a reduction to the extent of Rs.2,00,000.

Required :

- Should the part be made or bought considering that the present facility when released following a buying decision will remain idle?
- In case the released capacity can be rented out to another manufacturer for Rs. 1,50,000 what should be the decision?