Enrolment No/Seat No.:

R.N.G.PATEL INSTITUTE OF TECHNOLOGY-RNGPIT (An Autonomous College U/s UGC Act 1956)

MBA SEMESTER-I, SEMESTER END EXAMINATION - WINTER 2024

Subject Code: 1MB1101	Date: 17-01-2025
Subject Name: MANAGEMENT ACCOUNTING	
Time: 09:00 AM to 12:00 PM	Total Marks: 70

Instructions

1. It is compulsory for students to write Enrolment No. /Seat No. on the question paper.

2. Write answers of Section A and Section B in separate answer books.

3. Attempt all questions from both Section A and Section B.

- 4. Each section carries 35 marks, with a total of 70 marks for the examination.
- 5. The figures to the right of each question indicate full marks, make suitable assumptions with justification.

6. BL - Bloom's Taxonomy Levels (R-Remember, U-Understanding, A -Application, N -Analyze, E -Evaluate, C -Create), CO - Course Outcomes.

SECTION A

			Marks	BL	CU
Q.1	Multiple-Choice Questions		[05]		
	(a) Which of the following is an example of a	current liability?	1	U	1
	(i) Bank Loan (ii)	Creditors			
	(iii) Goodwill (iv)	Machinery			
	(b) Which formula is used to calculate the Bre	ak-Even Point in units?	1	R	4
	(i) Fixed Costs / (Selling Price per (ii) Unit - Variable Cost per Unit)	(Fixed Costs + Variable Costs) / Selling Price per Unit			
	(iii) Fixed Costs / Selling Price per (iv Unit)Variable Costs / Fixed Costs			
	(c) What is the main purpose of the Trading A	.ccount?	1	U	2
	(i) To calculate net profit or loss (ii)	To ascertain gross profit or loss			
	(iii) To list assets and liabilities (iv)	To calculate retained earnings			
	(d) Which of the following is an example of in	idirect costs?	1	U	3
	(i) Direct Materials (ii)	Direct Labor			
	(iii) Factory Rent (iv)	Direct Expenses			

	(e) Which account is used to transfer the net profit or net loss at the end of the accounting year?			1	U	2	
	(i) Capital Accou	nt	(ii) Profit and Loss Account				
	(iii) Drawings Acc	count	(iv) Reserve Account				
Q.2	Attempt Any Two				[10]		
	(a) XYZ Ltd. is manufac	-	• •• •	products A, B, C and D.	5	Ν	4
	The sales mix and va						
	Product	Sales per mor	nth Varia	ble Cost Ratio			
	A	2,00,000		50%			
	B	1,50,000		50%			
	С	1,00,000		75%			
		2,50,000		40%			
	The fixed costs are R	-		e breakeven point.	_		
	(b) Calculate factory cos	t from the follow	ing particulars:	5	5	Α	4
				Rs.			
	Material consumed			60,000			
	Productive wages			20,000			
	Direct Expenses			5,000			
	Consumable stores			2,000			
	Oil grease/Lubricati	•		500			
	Salary of a factory n	-		6,000			
	Unproductive wages Factory rent			1,000			
				2,000			
	Repair and Depreciation on Machine600						
	(c) Draw the format of Cost Sheet.		5	U	3		
Q.3	Attempt Any Two		[10]				
	(a) Discuss any TEN bas	sic accounting ter	rms.		5	U	1
	(b) From the following in March 2006.	nformation, prepa	are a cost sheet f	or period ended on 31st	5	А	2
	Rs.						
	Opening stock of ra	w material		12,500			
	Purchases of raw ma			1,36,000			
	Closing stock of rav			8,500			
	Direct wages			54,000			
	Direct expenses			12,000			
	Factory overheads 100% of direct wages						
	Office and administ		•	ost			
	Selling and distribut			26,000			
	•		ods	12,000			
		of opening stock of finished goods12,000of Closing stock of finished goods15,000					
	Profit on cost 20%	a or ministred got		15,000			

	carrying business a July 1 Sold cloth July 2 Purchased July 5 Received c Allowed h July 8 Drawn cas July 17 Paid telep July 19 Drawn ca	loths on credit to Gita Rs. 500 sed cloths from Amar on Credit Rs. 2000 ed cheque from Bela Rs.1180 ed her discount Rs. 20 cash for private use Rs. 250 elephone charges Rs. 80 n cash from bank for office Rs. 1500 purchase of cloth (paid by cheque) Rs.800			Α	2
Q.4	Attempt Any Two			[10]		
	(a) From the following	g information prepare cost sh	neet.	5	Α	3
		I I	Rs.			-
	Direct material		1,60,000			
	Direct Labour		45,000			
	Direct Expenses		15,000			
	Factory overhead	8	35,000			
	Office and admin works cost	istration overheads 20% of				
	Selling and distrib	oution overheads	45,000			
	Opening stock of	finished goods	25,000			
	Closing stock of f	inished goods 10,000				
	Profit on Sales 10%					
	(b) Journalise the follo the Ledger:	owing transactions in the bo	ooks of Amit and post them in	5	Α	2
	1 March 2024	Bought goods for cash Rs.	25,000			
	2 March 2024	Sold goods for cash Rs. 50	Sold goods for cash Rs. 50,000			
	3 March 2024	Bought goods for credit from Gopi Rs.19,000				
	5 March 2024	Sold goods on credit to Robert Rs.8,000				
	7 March 2024	Received from Robert Rs. 6,000				
	9 March 2024	Paid to Gopi Rs.5,000				
	20 March 2024	Bought furniture for cash	Rs. 7,000			
	(c) Explain the import	ance of cost sheet.		5	U	1

SECTION B

		Marks	BL	СО
Q.5	Multiple-Choice Questions	[05]		
	(a) According to concept, business is continuing activity and		R	1
	not liquidation (i) Business entity (ii) Money measurement			
	(iii) Going concern (iv) Cost			
	(b) Which of the following is NOT a use of Management Accounting information?	1	U	5
	(i) Budget preparation (ii) Tax filing compliance			
	(iii) Performance evaluation (iv) Strategic planning			
	(c) Which ratio is used to measure a company's ability to meet short-term obligations?	1	R	2
	(i) Leverage ratio (ii) Activity ratio			
	(iii) Liquidity ratio (iv) Profitability ratio			
	(d) Which of the following is an example of a profitability ratio?		R	3
	(i) Current Ratio (ii) Debt-to-Equity Ratio			
	(iii) Return on Equity (ROE) (iv) Inventory Turnover Ratio			
	(e) The Cash Flow Statement classifies cash flows into which of the following activities?		U	4
	(i) Operating, Investing, and (ii) Earning, Spending, and Saving			
	Financing (iii) Liquidity, Leverage, and (iv) Income, Expenses, and Reserves Profitability			
Q.6	6 Attempt Any Two			
	(a) Differentiate between management accounting and financial accounting with	5	U	1
	suitable examples.	_		-
	(b) From the data calculate :(i) Gross Profit Ratio(ii) Net Profit Ratio(iii) Return on Total	5	A	3
	Assets (iv) Inventory Turnover (v) Working Capital Turnover (vi) Net worth			
	to Debt			
	Sales25,20,000Other Current Assets7,60,000			
	Cost of sale 19,20,000 Fixed Assets 14,40,000			
	Net profit 3,60,000 Net worth 15,00,000 L 2,00,000 D 10 0,00,000			
	Inventory 8, 00,000 Debt. 9,00,000			
	Current Liabilities 6,00,000			

	(c) Discuss the three classifications of cash flow activities with examples.	5	U	4
Q.7	Attempt Any Two			
	(a) Explain Generally Accepted Accounting Principles (GAAP)	5	U	1
	 (b) From the following details, you are required to find out: (a) Gross profit; (b) Purchases; (c) Opening Stock; (d) Closing Stock; (e) Debtors; (f) Creditors; (g) Fixed Assets (1) Stock turnover = 6 (2) Capital Turnover Ratio = 2 (3) Fixed Turnover Ratio = 4 (4) Gross Profit Ratio = 20% (5) Debtor's Velocity = 2 months (6) Creditor's Velocity = 73 days The Gross Profit was Rs. 60,000. Reserve and surplus amount to Rs. 20,000. Closing stock was Rs. 5,000 in excess on opening stock. 	5	Α	3
	(c) Explain how a cash flow statement is useful for decision-making.	5	E	5
Q.8	Attempt Any Two	[10]		
	(a) List and discuss any three uses of management accounting information in decision-making.(b) Define ratio analysis and explain its significance in financial analysis.	5 5	U U	5 3
	(b) Define failo analysis and explain its significance in financial analysis.	5		3
	 (c) Current Ratio = 2.5:1 Liquid ratio = 1.5 Net working capital = Rs. 3,00,000 Long Term Borrowing = Rs.1,50,000 Stock Turnover ratio (Cost of sales / closing stock) = 6 times Gross Profit ratio = 20% Debt collection period = 2 months Fixed assets turnover ratio (on cost of sales) = 2 times Fixed assets to shareholders net worth = 0.8 Reserves and surplus to capital = 0.5 From the above information prepare balance sheet in as much detail as possible. 	5	С	3
