

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

MBA SEMESTER-II, SEMESTER END EXAMINATION – SUMMER 2025

Subject Code: 1MB1101**Date: 12-05-2025****Subject Name: MANAGEMENT ACCOUNTING****Time: 11:00 AM to 02:00 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	CO
Q.1 Multiple-Choice Questions	[05]		
(a) Which of the following is considered a liability?	1	U	1
<div>(i) Cash</div> <div>(ii) Debtors</div> <div>(iii) Creditors</div> <div>(iv) Stock</div>			
(b) Which book is referred to as the primary book of accounts?	1	U	1
<div>(i) Journal</div> <div>(ii) Ledger</div> <div>(iii) Cash Book</div> <div>(iv) Trial Balance</div>			
(c) Which of the following is shown under the equity section of a Balance Sheet?	1	E	1
<div>(i) Revenue</div> <div>(ii) Reserves and Surplus</div> <div>(iii) Debtors</div> <div>(iv) Trade Payables</div>			
(d) Which of the following is a fixed cost?	1	U	2
<div>(i) Raw material</div> <div>(ii) Wages paid per hour</div> <div>(iii) Rent</div> <div>(iv) Commission based on sales</div>			

(e) Break-even point occurs when:

1 R 2

(i) Total cost = Total revenue (ii) Fixed cost = Variable cost

(iii) Profit = Revenue (iv) Total cost = Net profit

Q.2 Attempt Any Two

[10]

- (a) From the following Trial Balance of Jindal Traders, prepare Trading and Profit & Loss Account for the year ending December 31, 2006 and Balance sheet as on that date:

5 U 1

Debit	Balance Rs.	Credit	Balance Rs.
Land & Building	60,000	Capital	96,000
Plant and Machinery	33,000	Sundry Creditors	15,000
Stock	12,000	Sales	60,000
Investment	15,000	Provision for doubtful Debts	1,100
Purchase	45,000	Loan	20,000
Wages	2,000	Rent received in advance	1,000
Carriage	2,000	Commission Received	3,000
Salary	5,000	Bills payable	15,000
Rent	2,000		
Cash at Bank	3,000		
Sundry Debtors	30,000		
Discount	300		
Bad debt	500		
Sales returns	1300		
TOTAL	2,11,100	TOTAL	2,11,100

- (b) Do the Journal Entry for the following transactions for PR Repair Co.

5 A 1

1 Oct Capital brought into the business by Mr. P Rs. 1,80,000

2 Oct Paid as hire charges an amount of Rs. 8,000

4 Oct Signed an agreement with an contractor for repair of office building worth Rs 2,00,000. The contractor will complete the work by December.

6 Oct Received an advance from AB consultants of Rs. 28,000 towards renovation work to be done in the month of November.

11 Oct Paid miscellaneous expenses worth Rs. 3,000.

- (c) Explain the different types of accounts with suitable examples.

5 E 1

Q.3 Attempt Any Two

[10]

- (a) Describe the process of preparing a trial balance.

5 R 1

- (b) from the following information find out

5 U 1

Sales price 80 rs per unit

Raw material cost 30 rs per unit

Labour cost 20 rs per unit
 Direct cost 10 rs per unit
 Fixed Rent 20,000
 Salary 20,000
 Tax 5000
 Fixed insurance 5000
 1. Find out BEP in unit and rs
 2. PV Ratio

(c) Write a short note on Activity-Based Management (ABM). 5 U 2

Q.4 Attempt Any Two [10]

(a) Define cost accounting. Explain cost classification based on behavior 5 E 2

(b) from the following information 5 A 2

Sales @ ₹ 25 per unit.

Variable Cost @ ₹ 15 per unit

Fixed Cost ₹30000

1. Find B.E.P. in ₹ and in units

2. PV Ratio

3. Find profit if company sold 4200 units

4. If sales price increase by 20% , find New BEP

(c) Discuss the concept and significance of break-even analysis in managerial decision-making. 5 U 2

SECTION B

Marks BL CO

Q.5 Multiple-Choice Questions [05]

(a) The cash flow statement provides _____ 1 U 1

(i) Profit and loss of the business (ii) Working capital changes

(iii) Financial position of the company (iv) Changes in the cash position of the company

(b) The formula to calculate Gross Profit Ratio is _____ 1 A 2

(i) $\text{Gross Profit} \div \text{Net Sales} \times 100$ (ii) $\text{Net Profit} \div \text{Gross Sales} \times 100$

(iii) $\text{Gross Profit} \div \text{Total Assets} \times 100$ (iv) $\text{Net Profit} \div \text{Net Sales} \times 100$

(c) Management accounting is primarily concerned 1 R 1

(i) Auditing (ii) Tax calculations

(iii) Providing information for internal decision making (iv) Auditing financial statements

- (d) Which one is the type of liquidity ratio 1 A 3
- (i) Debt to equity ratio (ii) Current ratio
- (iii) Return on equity (iv) Gross profit ratio
- (e) The cash flow statement includes which of the following activities? 1 U 1
- (i) Marketing activities (ii) Operating, investing, and financing activities
- (iii) Trading activities (iv) Production activities

Q.6 Attempt Any Two **[10]**

- (a) Explain the concept of management accounting in detail. 5 U 1
- (b) From the following information prepare cash flow statement for the year ending 31.03. 2025. Using direct cash flow method: - 5 N 4

Particulars	Amount	Particulars	Amount
To Cash Balance (01.04.2024)	25000	By payment to suppliers	29,00,500
To Receipt from customers	31,09,500	By payment for fixed assets	2,18,000
To share capital	3,75,000	By Payment for overheads	49,000
To sales of fixed assets	83,000	By salaries	66,000
		By income tax	32,000
		By dividend	38,000
		By bank loan	64,000
		By Cash balance (31.03.2025)	2,25,000
	35,92,500		35,92,500

- (c) From the following information calculate gross profit ratio and net profit ratio: - 5 N 4

Particulars	Amount
Opening Stock	35,000
Purchase	48,880
Wages	4,850
Sales	81,250
Sales return	3,550
Closing Stock	12,250
Selling and distribution expense	2,350
Administrative expense	3,800
Finance Expense	1,250

Q.7 Attempt Any Two**[10]**

(a) Explain the functions of management accounting in detail.

5 R 1

(b) From the following information calculate debt to equity ratio for the five financial years.

5 A 3

Particulars	2021	2022	2023	2024	2025
Total Assets	2,80,000	3,25,000	4,22,000	3,88,000	5,80,000
Total Debt	60,000	55,500	73,200	98,000	1,02,000
Current liabilities	38,000	32,250	28,250	18,250	23,260

(c) Explain management accounting and financial accounting with appropriate example.

5 U 1**Q.8 Attempt Any Two****[10]**

(a) Define cash flow statement also explain the direct cash flow statement method.

5 U 2

(b) From the following information of Ram Limited at the End of 31-03-2025. calculate current ratio of the company and interpret it.

5 E 4

Liabilities	Amount	Assets	Amount
Share capital	35,000	Fixed assets	25,500
Creditors	9,000	Cash	6,500
Bills Payable	3,000	Book debt	1,500
Provision for tax	2,000	Bills receivable	5000
Bank overdraft	3500	Stock	13500
Short term liabilities	15500	Prepaid expense	16000
Total	68,000	Total	68,000

(c) Explain Generally Accepted Accounting Principles in detail.

5 R 1
