

R.N.G.PATEL INSTITUTE OF TECHNOLOGY-RNGPIT*(An Autonomous Institute U/s UGC Act 1956)***Online MBA SEMESTER-I, SEMESTER END EXAMINATION – WINTER 2025****SUBJECT CODE: 1MBDL101****DATE: 05-01-2026****SUBJECT NAME: MANAGEMENT ACCOUNTING****TIME: 09:00 AM to 11:30 PM****TOTAL MARKS: 50****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 **25 marks**, with a total of **50 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 accounting method is prohibited under IFRS but allowed under GAAP? **1 R 1**
- (i) FIFO (First In, First Out) (ii) LIFO (Last In, First Out)
- (iii) Weighted Average (iv) Specific Identification
- (b) Management Accounting is more focused on: **1 U 1**
- (i) Historical financial data (ii) Present and future financial information
- (iii) Regulatory compliance (iv) Reporting to external stakeholders
- (c) Which accounting standard is most widely used globally? **1 R 1**
- (i) GAAP (ii) FASB
- (iii) IASB (iv) IFRS
- (d) What is recorded in the journal first? **1 U 2**
- (i) Trial Balance (ii) Journal Entries
- (iii) Ledger Entries (iv) Financial Statements

1 R 2

(e) What is the rule for Real Accounts?

(i) Debit what comes in, credit what goes out (ii) Debit all expenses, credit all incomes

(iii) Debit the giver, credit the receiver (iv) Debit the receiver, credit the giver

Q.2 Attempt Any Two

[10]

(a) Define Management Accounting? What are the key features of Management Accounting? **5 R 1**

(b) How does Management Accounting differ from Financial Accounting? **5 U 1**

(c) How is Management Accounting information used? Can you provide examples? **5 U 1**

Q.3 Attempt Any Two

[10]

(a) Explain in detail the types of Account - Personal, Real, and Nominal Accounts along with their rules. **5 U 2**

(b) DEF Traders is a sole proprietorship firm. Below are the transactions for the month of July 2025. Record the journal entries in the books of DEF Traders: **5 A 2**

July 2: The owner, Mr. X, withdrew Rs 8,000 for personal use.

July 4: sold goods worth Rs 6,000 on credit to Mr. Y.

July 7: Purchase goods worth Rs 10,000 for cash.

July 10: Paid Rs 2,500 for the office telephone bill.

July 15: Received Rs 5,000 from Mr. Y for a previous credit sale for full settlement.

(c) Raman Traders is a sole proprietorship firm. Below are the transactions for the month of August 2025. Record the journal entries in the books of GHI Traders: **5 A 2**

August 1: The owner, Mr. A, invested Rs 40,000 in cash into the business.

August 3: Purchased equipment worth Rs 15,000 on credit from Mr. M.

August 6: Sold goods worth Rs 25,000 on credit to Mr. P and allow 10% TD.

August 9: Paid Rs 3,500 for insurance premiums.

August 12: Received Rs 8,000 in cash from Mr. P for the goods sold on credit.

SECTION B

Marks BL CO

Q.4 Multiple-Choice Questions

[05]

- (a) Which of the following is an example of fixed costs? 1 R 3
- (i) Raw materials (ii) Direct labor
- (iii) Rent for office space (iv) Packaging costs
- (b) Which method of costing is used when products are produced in a continuous flow and are indistinguishable? 1 R 3
- (i) Process costing (ii) Activity-based costing
- (iii) Job order costing (iv) Unit costing
- (c) In break-even analysis, which of the following is subtracted from the selling price per unit? 1 U 3
- (i) Fixed cost per unit (ii) Variable cost per unit
- (iii) Direct labor costs (iv) Overhead costs
- (d) Which of the following ratios helps evaluate short-term financial health? 1 R 4
- (i) Debt to Equity Ratio (ii) Return on Assets
- (iii) Current Ratio (iv) Gross Profit Margin
- (e) The formula for Return on Assets (ROA) is: 1 R 4
- (v) Net Profit / Total Assets (vi) Net Profit / Total Equity
- (vii) Operating Profit / Revenue (viii) Gross Profit / Revenue

Q.5 Attempt Any Two

[10]

- (a) A company uses Activity-Based Costing (ABC) to allocate costs. The total indirect costs are ₹8,00,000. There are 4 activities: 5 N 3
- Activity 1: 40% of total costs
 - Activity 2: 30% of total costs
 - Activity 3: 20% of total costs
 - Activity 4: 10% of total costs
- Calculate the cost allocated to each activity.
- (b) In a manufacturing process, the total costs of materials, labor, and overhead for a given period are ₹5,50,000, ₹3,00,000, and ₹2,00,000, respectively. The company produces 30,000 units during this period. Additionally, 12% of the total material cost is for wastage, and 4% of the total labor cost is for rework. Calculate the adjusted cost per unit, considering wastage and rework costs. 5 N 3

- (c) What is the meaning of Cost Accounting? Explain Variable Cost and Semi-variable Cost in detail. 5 R 3

Q.6 Attempt Any Two

[10]

- (a) Income and Expenses Related to Financing Activities: 5 N 4

- Cash Inflows:
 - Borrowing from Bank (Term Loan): ₹600,000
 - Issuance of Preference Shares: ₹500,000
- Cash Outflows:
 - Repayment of Bank Loan: ₹(250,000)
 - Repurchase of Preference Shares: ₹(100,000)
 - Payment of Dividends: ₹(60,000)
 - Repayment of Term Loan: ₹(150,000)

Prepare the Financing Activities section of the Statement of Cash Flows.

- (b) From the Given Information: 5 N 4

- Cost of Goods Sold (COGS): ₹3,000,000
- Average Inventory: ₹500,000
- Net Credit Sales: ₹4,000,000
- Average Accounts Receivable: ₹300,000
- Revenue: ₹5,000,000
- Total Assets: ₹4,000,000

Required:

1. Calculate the Inventory Turnover.
2. Calculate the Receivables Turnover.
3. Calculate the Asset Turnover.

- (c) Discuss the any five Usefulness of the Statement of Cash Flows. 5 R 4
