

Enrollment No./Seat No.:

**GUJARAT TECHNOLOGICAL UNIVERSITY**  
**MBA - SEMESTER - I EXAMINATION - SUMMER 2025**

**Subject Code: MB01092011**

**Date: 29-05-2025**

**Subject**            **Management Accounting**  
**Name:**

**Time: 02:30 PM TO 05:30 PM**

**Total Marks: 70**

**1. Instructions**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**

- 2. 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	<b>Marks</b>
<b>Q.1</b> All 7 questions are compulsory (Each of 2 marks)	<b>14</b>
<b>(a)</b> Rule of debit and credit	
<b>(b)</b> Account Payable	
<b>(c)</b> Financial statements	
<b>(d)</b> Depreciation	
<b>(e)</b> Cost centre	
<b>(f)</b> LIFO	
<b>(g)</b> Margin of Safety	
<b>Q.2 (a)</b> What is Management Accounting? How Management Accounting is different from Financial Accounting?	<b>07</b>
<b>(b)</b> Pass journal entries for the following transactions.	<b>07</b>
Started business with cash 7,75,000/-	
Opened bank account with Axis bank 75,000/-	
Purchased goods of Rs 16,500/-	
Paid travelling expense 1250/-	
Sold goods of Rs 9650/- to Mr Ramlal	
Paid electricity bill of Rs 2250/- by cheque	
Received 50% amount from Ramlal	

Purchase goods of Rs 8400/-

Paid salary 4500/-

Paid rent 2000/-

**OR**

- (b)** Calculate Current Ratio, Quick Ratio, and stock turnover Ratio from the following information? **07**

Cash 30500/- sales 5, 60,000/-  
Bank 1, 25,000/- G.P. on sale 20%  
Debtor 7,500/- opening stock 65,000/-  
Creditors 4,000/- closing stock 15,000/-

Prepaid exp 2,500/-

o/s exp. 3000/-

- Q.3 (a)** What is Cash flow statement? Draw the format of cash flow statement as per Accounting Standard -3 **07**
- (b)** Prepare common size balance sheet of Raj Co. Ltd. as at March 31, 2016 and March 31, 2017 from the given information: **07**

Particulars	2017	2016
Equity and Liabilities		
1. Shareholders' Fund		
a) Share capital	20,00,000	15,00,000
b) Reserve and surplus	3,00,000	4,00,000
2. Non-current liabilities		
Long-term borrowings	9,00,000	6,00,000

3. Current liabilities	3,00,000	2,00,000
Trade payables		
	35,00,000	27,00,000
Total		
II. Assets		
1. Non-current assets		
a) Fixed assets	20,00,000	15,00,000
– Tangible assets	9,00,000	6,00,000
– Intangible assets		
2) Current assets		
– Inventories	3,00,000	4,00,000
– Cash and cash equivalents		
	35,00,000	27,00,000
Total		

**OR**

- (a) What do you understand by Indian Accounting Standards (Ind AS) ? Discuss the major features and benefits of Indian Accounting Standards . **07**
- (b) Fast company has purchased a plant to manufacture a new product, the cost data for which is given below estimated annual sales is 24,000 units. Estimated cost is given as follows. **07**

Material                      Rs. 4 per unit

Direct Labour              Rs. 0.60 per unit

Factory overhead Rs. 24,000 units

Administrative overhead Rs. 28,800 per year

Selling Expenses 15% of sales

Calculate the selling price if the profit per unit is Rs. 1.02. Prepare the cost sheet showing the breakup of the cost at each stage.

**Q.4 (a)** What is Unit Costing? Discuss the importance of unit costing. **07**

**(b)** A product of a factory passes through three processes from the following particulars. Find out the process wise cost for the month ending 31st march, 2020. **07**

Processes

	I	II	III
Material	40,000	20,000	16,000
Wages / Labour	32,000	16,000	8,000
Direct Expenses	12,000	6,000	4,000

Indirect Expenses amount to rupees 28,000. There is no opening and closing stock in the beginning and closing of the month. Units producing during the month are 1,000.

**OR**

**(a)** What is Break Even Point? Discuss the importance of Cost- Volume Profit Analysis **07**

**(b)** The following trial balance is extracted from the books of M/s Ram on March 31, 2017. You are required to prepare trading and profit and loss account and the balance sheet as on date : **07**

Account Title	Amount	Account Title	Amount
Debtors	12,000	Apprenticeship Premium	5,000
Purchases	50,000	Loan	10,000
Coal , Gas and Water	6,000	Bank Overdraft	1,000
Factory Wages	11,000	Sales	80,000
Salaries	9,000	Creditors	13,000
Rent	4,000	Capital	20,000
Discount	3000		

Advertisement	500		
Drawings	1,000		
Loan	6,000		
Petty	500		
Sales Return	1,000		
Machinery	5,000		
Land & Building	10,000		
Income Tax	100		
Furniture	9,900		

**Q.5** Company Background:

ABC Ltd. is a manufacturer of widgets. The company has a fixed cost of \$100,000 per month, and each widget is sold for \$50. The variable cost per widget is \$30.

Objective:

The management wants to determine the break-even point and evaluate the impact of changes in sales volume, selling price, and costs on profitability.

Given Data:

- Selling price per widget: \$50

- Variable cost per widget: \$30

- Fixed cost per month: \$100,000

- Current sales volume: 6,000 widgets per month

- (a) Calculate the break-even point in units and dollars. **07**  
(b) Determine the profit or loss if the company sells 6,000 widgets per month. **07**

**OR**

- (a) Calculate the sales volume required to achieve a target profit of \$50,000 per month. **07**  
(b) What are the major components of Cost - Volume Profit Analysis ? Discuss. **07**

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