

Seat No.: _____

Enrolment No. _____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA - SEMESTER- I EXAMINATION – WINTER 2019

Subject Code: 4519201

Date: 24-12-2019

Subject Name: Management Accounting

Time: 10:30 AM TO 1.30 PM

Total Marks: 70

Instructions:

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

Q1. Define the terms- (14)

- (i) Going concern
- (ii) Monetary concept
- (iii) Journal
- (iv) Marginal costing
- (v) IFRS
- (vi) Cash flow statement
- (vii) Unit costing

Q2. (A) What is cost? How it can be classified? (07)

Q2. (B) Explain process costing with reference to milk production unit. (07)

OR

Q2. (B) What is unit costing? Explain advantages and limitations of the same. (07)

Q3. (A) Record following transactions and post them in ledgers- (07)

- (i) Started business with a capital of Rs. 5,000
- (ii) Sold goods to Mr. X for 500 Rs.
- (iii) Received cash from Mr. X Rs. 450 for full settlement
- (iv) Purchased goods from Mr. T for Rs. 1500/-
- (v) Paid to Mr. T in full in cash Rs. 1450/-
- (vi) Paid salary to Mr. Z Rs. 3,00/-
- (vii) Purchased plant for Rs. 1,000/-
- (viii) Sold goods for cash Rs. 1,300/-
- (ix) Received interest Rs. 50/-
- (x) Deposited cash into bank Rs. 1,000/-

Q3. (B) What is CVP? How it is different than other analysis and useful to the organisation? (07)

OR

Q3. (A) Prepare the following T/B in correct form-

(07)

| Heads of the accounts | debit | credit |
|-----------------------|-------------|-------------|
| Bank overdraft | 280 | -- |
| Cash in hand | ---- | 40 |
| Purchases return | 80 | -- |
| Sundry expenses | 240 | -- |
| Sales return | -- | 160 |
| Salaries | 160 | -- |
| Purchases | 560 | -- |
| Sales | -- | 880 |
| Creditors | -- | 240 |
| Debtors | 160 | -- |
| Stock opening | --- | 200 |
| Plant | -- | 400 |
| Capital account | 440 | -- |
| | 1920 | 1920 |

Q3 (B) differentiates between the horizontal and vertical analysis?

(07)

Q4. (A) Discuss any three accounting concepts in brief

(07)

Q4. (B) on 1st January, 2014 , X Ltd, purchased a second hand machine for Rs. 58,000 and spent Rs. 2000/- on its erection on 1st July 2016, this machine was sold for Rs. 28,600/-. Make machine account along with depreciation calculations. [Depreciation rate as 10% p.a. as per W.D.V. method & accounting year is 1st January]

(07)

OR

Q4. (A) What is retrospective effect?

(07)

Q4. (B) Prepare common size statement from the following-

| Liabilities | 2007 | 2008 | Assets | 2007 | 2008 |
|-----------------------|----------------|----------------|--------------------------|----------------|----------------|
| Equity Capital | 500000 | 1500000 | Gross Block | 2000000 | 4400000 |
| Preference Capital | 100000 | 600000 | Less Depreciation | 1900000 | 1199000 |
| General Reserve | 1000000 | 500000 | Investment | 1000000 | |
| Loan From I.F.C. | | 1000000 | Receivable | 400000 | |
| Account Payable | 100000 | 200000 | Inventories | 200000 | 450000 |
| Outstanding Expenses | 50000 | 51000 | Cash | 300000 | 700000 |
| Profit & Loss Account | 250000 | 500000 | | | |
| | 2000000 | 4351000 | | 2000000 | 4351000 |

Q5. From the following records of Bhargav Ltd. During a week make a comparison between LIFO and FIFO and which should be opted by the company? Details are as under-

Opening balance 50 Ton @ 10 Rs per ton

- (i) issued 30 tons
- (ii) Received 60 tons @10.10 per ton
- (iii) Issued 25 tons (stock verification reveals loss of one ton)
- (iv) Received back from orders 10 tons (previously issued at 9.90 per ton)
- (v) Issued 40 tons
- (vi) Received 22 tons at 10.20 per ton
- (vii) Issued 33 tons

At what price should you issue the material on January 1, 3, 5 and 7 respectively? Use two import methods namely LIFO and FIFO to show comparative results. (07+07)

OR

Q5. Prepare the stock register as per weightage average method and find out the closing value of stock using the data of Q.5 main part (14)
