

Enrollment No./Seat No.:

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

**Subject Code: 4519201**

**Date: 16-01-2026**

**Subject Name: Management Accounting**

**Time: 10:30 AM TO 01:30 PM**

**Total Marks: 70**

**Instructions**

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**
- 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

**Marks**

**Q.1** ALL 7 Questions must be Compulsory. **14**

- (a) Cost Unit and Cost center
- (b) Intangible Assets
- (c) Fictitious Assets.
- (d) Periodic and Perpetual Inventory System
- (e) Trial Balance
- (f) Normal Vs. Abnormal Loss
- (g) Break Even Point

**Q.2 (a)** Name various accounting concepts. Explain any four in detail. **07**

**(b)** Who are the users of accounting information, and why do the users need accounting information? **07**

**OR**

**(b)** What is the role of Accounting? Explain the critical steps involved in accounting. **07**

**Q.3 (a)** Discuss various methods of financial statement analysis in brief (tools & techniques). **07**

**(b)** Mr. Anand has started a company to carry on the business of selling fast-food. **07**  
Following are the transaction for the month of November. Journalized the transactions:

- 1: Commence business with cash of Rs. 2,00,000.
- 3: Opened a current account with Bank of Baroda for Rs. 1,00,000
- 8: Purchased office equipments. Paid Cash. Of Rs. 60,000
- 9: Purchase materials worth Rs. 30,000.
- 10: Sold 500 packs of pizza for Rs. 50,000
- 14: Issued cheque of Rs. 25,000 to Mr. Anand for his personal use.
- 16: Paid Rs. 20,000 for office rent.

**OR**

**(a)** Differentiate between Financial, Cost and Management Accounting. **07**

(b) The Balance Sheet of Grace Corporation is as follows:

07

PARTICULARS	2014	2013
<b>SHAREHOLDER'S FUNDS</b>		
Share Capital	25,000	25,000
Reserve & Surplus	11,800	8,600
	36,800	33,600
<b>LIABILITIES</b>		
Secured Loans	9,000	8,000
Unsecured Loans	3,000	1,000
Current Liabilities	23,300	17,100
	35,300	26,100
Total equities and liabilities	72,100	59,700
<b>ASSETS</b>		
Fixed Assets	32,200	26,500
Investments	2,800	4,300
Inventories	10,600	4,900
Debtors	20,900	15,600
Cash	4,400	7,000
Other current assets	1,200	1,400
Total assets	72,100	59,700

Prepare the Common Size statement.

**Q.4 (a)** Write a short note on IFRS.

07

(b) From the following Income Statement of Mehra Trading Company for the year ending 31st March, 2022 and 2023, you are required to prepare a Comparative Income Statement and give your comments:

07

Particulars	31.03.2022 Rs.	31.03.2023 Rs.
Revenue From Operations	6,00,000	7,20,000
Add: Dividend Received	30,000	90,000
Total Revenue	6,30,000	8,10,000
Less: Cost of Goods Sold	4,20,000	5,60,000
Administration Expenses	50,000	66,000
Selling and Dist. Expenses	25,000	23,000
Interest on Debentures	12,000	12,000
Loss on Sale of Plant	6,000	4,000
Provision for Taxation	40,000	48,000
Net Profit	77,000	97,000

**OR**

(a) Explain the types of Accounts with suitable examples and the rules of Debit and Credit applicable to them.

07

(b) A retail shop dealing in knitwear has the following transactions during June 2008.

07

Date	Purchase/ sales	Units	Rate per unit
June 2	Purchase	1,000	50
June 8	Purchase	500	60
June 12	Sale	500	70
June 15	Purchase	800	70
June 18	Sale	1,000	85
June 24	Purchase	500	85
June 28	Sale	800	100

You are required to compute:

1. The gross profit earned during June.
2. The value of closing stock by using FIFO and LIFO method.

**Q.5** Solve the Following.

(a) X Ltd. purchased a second hand machine on 1 January 2001 for Rs. 37,000 and immediately spent Rs. 2,000 on its repairs and Rs. 1,000 on erection. On 1 July 2002, it purchased another machine for Rs. 10,000 and on 1 July 2003 sold off the first machine purchased on 1 January 2001 for Rs. 28,000. On the same day, it purchased a machine for Rs. 25,000. On 1 July 2004 the second machine purchased for Rs. 10,000 was also sold off at Rs. 2,000. Depreciation was provided on the machine at the rate of 10% on the original cost annually on 31 December. The company follows the year end at December.

07

(b) From the Following information, calculate :

07

- (i) Break Even point Expressed in terms of sales in Rupees and Units
- (ii) Number of units that must be sold to earn a Profit of Rs. 60000 per year.
- (iii) If the Sales Price reduced by 10% what will be new P/V Ratio.

Particulars	Amount (Rs.)
Sales Price	20 per unit
Variable Manufacturing cost	11 per unit
Variable Selling cost	3 per unit
Fixed Factory overhead	540000 per year
Fixed Administrative Cost	252000 per year

**OR**

- (a) From the following ledger balances of Hardik Ltd. prepare the Balance-Sheet of the company as on 31st March, 2019 in vertical format.

Particulars	Rs.	Particulars	Rs.
Equity Share Capital	26,00,000	Advances to employees	1,50,000
General Reserve	30,000	Discount on Issue of Debenture	12,500
12% Debentures	4,00,000	Tools and Equipments	3,75,000
Land and Building	15,54,970	Gratuity Fund	3,00,000
Goodwill	10,00,000	Debtors	1,38,520
Bank Overdraft	2,45,100	Cash at Bank	1,57,160
Proposed Dividend	82,000	Stores and Spares	1,77,800
Prepaid Insurance	25,000	Profit and Loss A/c (Cr.)	21,490
Mutual Fund	68,000	Bills Receivable	44,600
Pre-Paid Salary	1,00,000	Sundry Creditors	90,000
Interest Payable	32,400	Bills Payable	2,560

- (b) A product passes through the three processes A, B and C. The normal wastage of each process is as follows :

07

Process A -3 %, Process B – 5% and Process C – 8%

1. Wastage of process A was sold at 25 paise per unit and
2. Wastage of process B was sold at 50 paise per unit and
3. Wastage of process C was sold at 1 Rs per unit.

10000 units were issued to Process A in the beginning of the October 2014 at a cost of Rs. 1 per unit. The other Expenses were as follows:

	Process A	Process B	Process C
Sundry Materials	Rs. 1000	Rs. 1500	Rs. 500
Labour	Rs. 5000	Rs. 8000	Rs. 6500
Direct Expenses	Rs. 1050	Rs. 1188	Rs. 2009
Actual Output	9500 units	9100 units	8100 units

Prepare the process accounts A , B and C.

\*\*\*