Register No : ____________________

THE KAVERY ENGINEERING COLLEGE

(An Autonomous Institution)

MBA DEGREE END SEMESTER THEORY EXAMINATIONS, APRIL/MAY 2025

First Semester

Master of Business Administration

BA4104/PMBT2404 - Accounting for Decision Making

Regulations – 2021/2024

Duration : 3 Hrs ***Maximum : 100 Marks***

*PART – A (ANSWER ALL QUESTIONS) (Marks 10*2=20)*

Q.No	Questions	BLT	CO	Marks
1.	Recall the definition of the term accounting.	L1	1	2
2.	List the objectives of trial balance.	L1	1	2
3.	Name few important financial statements.	L1	2	2
4.	Choose the examples of liquidity ratios.	L1	2	2
5.	What is Job costing?	L1	3	2
6.	Select the advantages Process costing.	L1	3	2
7.	Infer the term Margin of safety.	L2	4	2
8.	Show the objectives of CVP analysis.	L2	4	2
9.	Define marginal cost and marginal costing.	L1	5	2
10.	Rephrase the term variance in standard costing.	L2	5	2

*PART – B (ANSWER ALL QUESTIONS) (Marks 5*16 = 80)*

Q.No		Questions	BLT	CO	Marks
11.	a	From the following balances find gross profit and net profit of Mr. Lal for the year ending 31.3.2023 and balance sheet as on that date.	L3	1	16

Capital	12500	Carriage outwards	5000
Drawings	6200	Salaries	11000
Furniture and fittings	1750	Advertisements	1200
Type writer	1200	Cycle	200
Purchases	180000	Opening stock	21500
Sales	235000	Sundry debtors	12000
Lorry hire on purchase	12000	Reserve for doubtful debts	400
Travelling Expenses	900	Commission earned	9000
Sundry creditors	10000	Discount allowed	5000
Insurance	500	Cash in hand	450
General expenses	600	Over draft with banker	6500
Postage & telegram	150	Rent and taxes	5000
Bad debts	500		
Interest paid	250		
Return outwards	5000		
Return inwards	10000		

ADJUSTMENTS:

a) Closing stock at 31.3.2023 Rs. 17500
b) Outstanding: Interest -Rs 250, Salaries-Rs 1000, Rent-Rs 500, Audit fees-Rs 500.
c) Pre -paid: Insurance-Rs 125, Advertisement Rs-200.
d) Maintain reserve for doubtful debts at 5% on sundry debtors.
e) Depreciation: Furniture&fittings-10%, Cycle-15%, Typewriter-15%.
f) Interest on capital 5 %.

Or

	b	Show the difference among the financial, cost and management accounting.	L3	1	16
12.	a	Demonstrate the various ratios for analysis of liquidity, solvency, profitability, activity and capital structure of a concern.	L3	2	16

Or

	b	Summarized the balance sheet of Q Ltd., prepare Statement of changes in the working capital, and Statement of sources and uses of funds and interpret the results.	L3	2	16

Liabilities	2022	2023	Assets	2022	2023
Equity capital	30,000	40,000	Goodwill	11,500	9,000
8% Redeemable preference share capital	15,000	10,000	Land& building	20,000	17,000
General reserve	4,000	7,000	plant	8,000	20,000
Profit and loss a/c	3,000	4,800	Debtors	16,000	20,000
Proposed dividends	4,200	5,000	Stock	7,700	10,900
Creditors	5,500	8,300	Bills Receivable	2,000	3,000
Bills payable	2,000	1,600	Cash in hand	1,500	1,000
Provision for tax	4,000	5,000	Cash at bank	1,000	800
	67,700	81,700		67,700	81,700

Additional Information:

a) Depreciation of Rs. 1,000 and Rs.2, 000 have been charged on plant, land and building respectively in 2023.
b) An interim dividend of Rs 2,000 has been paid in 2023.
c) Income tax of Rs 3,500 has been paid during the year 2023.

13.	a	From the following figures, prepare process accounts, Identify the cost of process and the total cost. The production was 480 Articles per week.	L3	3	16

Particulars	Process I	Process II	Process III
Materials	Rs 3000	Rs 1000	Rs 400
Labour	Rs 1600	Rs 4000	Rs 1200
Factory Overheads	Rs 520	Rs 1440	Rs 500

Office Overheads amounting to Rs 1700 should be apportioned on the basis of wages. Ignore stock in hand and work-In progress at the beginning and end of the work.

Or

	b	Apply the meaning of the term activity based costing and target costing with reference to their respective industries.	L3	3	16
14.	a	Analyze -"Marginal costing is a valuable aid for managerial decisions"	L4	4	16

Or

	b	Assuming the cost structure and selling prices remain the same in periods I and II discover the following:	L4	4	16

i) P/V ratio
ii) B.E sales
iii) Profit when sales are Rs. 100000.
iv) Sales required to earn a profit of Rs. 20000
v) Margin of safety in IInd period.

Periods	**Sales (Rs)**	**Profit (Rs)**
I	1,20,000	9,000
II	1,40,000	13,000

15.	a	Explain the advantages and disadvantages of a budgetary control system.	L5	5	16

Or

	b	The standard material and standard cost per kg. of material required for the production of one unit of product A is as follows:	L5	5	16

Material-5 Kgs
Standard Price Rs. 5 per kg.

The actual production and related material data are as follows:

400 units of product A
Material used 2,200 Kgs
Price of material Rs. 4.50 per kg.

Estimate the following:

i) Material cost variance
ii) ii) Material usage variance
iii) iii) Material price variance