Register No: ____________________

THE KAVERY ENGINEERING COLLEGE

(An Autonomous Institution)

MBA DEGREE END SEMESTER THEORY EXAMINATIONS, NOV /DEC 2024

First Semester

Master of Business Administration

PMBT2404 / BA4104 – 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.	Label the meaning of management accounting.	RE	1	2
2.	Infer the term financial statements.	UN	1	2
3.	Recall the gist of dupont ratios.	RE	2	2
4.	Outline the concept of trend analysis.	UN	2	2
5.	Show the essence of order costing.	RE	3	2
6.	Summarize the term target costing.	UN	3	2
7.	Define the term marginal costing.	RE	4	2
8.	Rephrase the idea of exploring new markets.	UN	4	2
9.	List any two budgetary control techniques.	RE	5	2
10.	Interpret the term accounting standards.	UN	5	2

*PART – B (ANSWER ALL QUESTIONS) (Marks 5*13 = 65)*

Q.No		Questions	BLT	CO	Marks
11.	a	Infer the below transactions to prepare journal entries and interpret accordingly: 1.8.2023 – Maran started business with Rs.4,00,000/- 4.8.2023 – Purchased goods from Pavithra Rs.75,000/- 7.8.2023 – Sold goods to Mukesh Rs.90,000/- (cost Rs.70,000) 10.8.2023 – Purchased Buildings by cheque – Rs.3,00,000/- 12.8.2023 – Paid Pavithra in full settlement Rs.73,000/- 14.8.2023 – Purchased Machinery from Sara – Rs.3,00,000 16.8.2023 – Paid Salary – Rs.20,000/- 20.8.2023 – Paid telephone charges by cheque – Rs.8,000/- 23.8.2023 – Received rent – Rs.5,000/- 30.8.2023 – Paid commission – Rs.8,000/-	UN	1	13
		Or			
	b	Analyze the above transactions (11.A) to prepare necessary ledger accounts and interpret accordingly.	UN	1	13
12.	a	Interview the below items to calculate: 1. Gross Profit Ratio; 2. Net Profit Ratio; and, 3. Expenses Ratio, and interpret accordingly. Sales – Rs.93,00,000; Cost of Goods Sold – Rs.54,00,000; Selling & Distribution Expenses – Rs.9,00,000; Administrative Expenses – Rs.3,00,000; General Expenses – Rs.6,00,000; Returns Inward – Rs.3,00,000.	AP	2	13
		Or			

b	Organize the below data to prepare a Common Size Balance Sheet and interpret accordingly:	AP	2	13

Liabilities	2021 Rs.	2022 Rs.	Assets	2021 Rs.	2022 Rs.
Equity Share Capital	1800000	1600000	Land & Buildings	1110000	810000
Reserves & Surplus	990000	444000	Plant & Machinery	1200000	1800000
12% Debentures	600000	600000	Furniture & Fixtures	60000	75000
Long Term Loans	450000	400000	Other Fixed Assets	75000	90000
Sundry Creditors	300000	240000	Cash	60000	240000
Bills Payable	1500000	90000	Bills Receivable	450000	270000
Other Current Liabilities	150000	200000	Debtors	735000	1020000
			Stock	750000	1050000
			Prepaid Expense	-	6000
	4440000	5361000		4440000	5361000

13. a Analyze the following information to prepare a cost sheet showing cost per unit and total cost of each stage, and interpret accordingly: AN 3 13

In 2022, Apple Ltd. produced 6,00,000 units and the expenses were as follows:

Particulars	Rs.
Stock of Raw Material – 1.1.2022	1,20,000
Stock of Raw Material – 31.12.2022	2,40,000
Work-in-Progress – 1.1.2022	2,16,000
Work-in-Progress – 31.12.2022	1,92,000
Finished Goods – 1.1.2022	1,44,000
Finished Goods – 31.12.2022	3,60,000
Material Purchased	20,40,000
Direct Wages	10,20,000
Direct Expense	4,20,000
Factory Expense	5,70,000
Office Expense	8,70,000
Selling Expense	4,20,000

Or

b Inspect the below data to allocate the cost to Product A & B by using market value method and reversal cost method to Product C, and interpret accordingly. AN 3 13

Palmolive Co. Ltd. produces 3 products. Product A and B are joint products whereas the Product C is a by-product. Company Data for 2022: A – 30000 Units; B – 45000 Units and C – 15000 Units were processed; Joint processing cost – Rs.16,20,000.

Particulars	A	B	C
Sales Price Per Unit	25	30	10
Production Cost After Separation	10	14	2
Marketing Expenses Per Unit	-	-	2
Operating Profit Per Unit	-	-	2

14. a Organize the below data to calculate, i. Contribution; ii. PV Ratio; iii. BEP Value and Units; iv. Selling Price, when BEP is 90000 Units, and interpret accordingly. AP 4 13

Selling Price – 150; Variable Cost – 105; Fixed Cost – 4,50,000.

Or

	b	"Product Decision-Making and Market Decision-Making plays a key role in the success of any business concern". Construct the statement with a suitable example.	AP	4	13
15.	a	Categorize the below information to construct a cash budget for the months of January, February, March, April and May, 2023 from the following information and interpret accordingly: 1. Expected Cash Balance on 1.1.2023 is Rs.8,40,000. 2. Suppliers allowed a credit period of two months. 3. A credit period of one month is allowed to customers. 4. Expenses are paid in the same month. 5. Sale of fixed asset Rs.75,000 in February, 2023. 6. Purchase of fixed asset in March, 2023 Rs.75,000.	AN	5	13

Month	Purchase (Rs.)	Sales (Rs.)	Admin. & Selling Expenses (Rs.)
November	2,25,000	4,50,000	3,60,000
December	3,00,000	4,05,000	4,12,500
January	2,55,000	5,25,000	1,95,000
February	3,75,000	3,60,000	2,10,000
March	2,70,000	7,20,000	2,40,000
April	3,60,000	7,80,000	3,00,000
May	3,30,000	8,10,000	3,30,000

Or

	b	Prepare a flexible budget for the production of 12000 units, 18000 units, 24000 units and 30000 units by analyzing the below information for the production of 15000 units.	AN	5	13

Particulars	Rs. Per Unit
Direct Materials	48
Direct Labour	24
Variable Overheads	20
Fixed Overheads (Rs.90,000)	12
Variable Expenses (Direct)	4
Selling Expenses (10% Fixed)	12
Admin Expenses (Rs.30,000 Fixed)	4
Distribution Expenses (20% Fixed)	4
Total Cost	128

*PART – C (Marks 1*15 = 15)*

Q.No		*Questions*	*BLT*	*CO*	*Marks*
16.	a	Analyze the following data to prepare Final Accounts of the company and interpret accordingly:	AN	1	15

Debit Balances	Rs.	Credit Balances	Rs.
Drawings	10800	Capital	480000
Buildings	90000	General Reserve	120000
Furniture & Fittings	45000	Loan from Hari @ 6%	90000
Computer	150000	Sales	600000
Interest on Loan	5400	Commission Received	45000
Loose Tools	36600	Sundry Creditors	60000
Purchases	450000		
Stock on 1.4.2018	150000		
General Expenses	90000		
Freight Inward	12000		
Freight Outward	6000		
Sundry Debtors	168000		
Bank	121200		
Goodwill	60000		
	1395000		1395000

Adjustments:
1. Closing stock is Rs.4,92,000;
2. Depreciate Computer @ 10%; Buildings @ 5%; Furniture and Fittings @ 10%;
3. Provide for bad and doubtful debts @ 5% and for discount on debtors @ 2%;
4. Provide interest on drawings @ 6% and on capital @ 8%.

Or

	b	"For all the businessmen, decision making problems are common in nature and it is of various types in general". Inspect in detail.	AN	4	15