

# Smu 1st sem assmnt questions 2010

[Business](#), [Accounting](#)



Fall 2010 Master of Business Administration- MBA

Semester 1 MB0041 – Financial and Management Accounting - 4 Credits  
(Book ID : B1130)

Assignment Set- 1 (60 Marks)

Note: Each question carries 10 Marks.

Answer all the questions.

- Q. 1 Explain the Various accounting Concepts and Principles?
- Q. 2 Pass journal entries for the following transactions 1. Madan commenced business with cash Rs. 70000 2. Purchased goods on credit 14000 3. Withdrew for private use 3000 4. Goods purchased for cash 12000 5. Paid wages 5000
- Q. 3 Explain the various types of errors disclosed by Trial Balance? [10 Marks] [10 Marks] 10 Marks]
- Q. 4 From the following balances extracted from Trial balance, prepare Trading Account. The closing stock at the end of the period is Rs. 56000  
Particulars Stock on 1-1-2004 Returns inwards Returns outwards Purchases Debtors Creditors Carriage inwards Carriage outwards Import duty on materials received from abroad Clearing charges Rent of business shop Royalty paid to extract materials

Amount in Rs. 70700 3000 3000 102000 56000 45000 5000 4000 6000 7000  
12000 10000 10 Marks] Fall 2010 Fire insurance on stock Wages paid to workers Office salaries Cash discount Gas, electricity and water Sales 000  
8000 10000 1000 4000 250000

- Q. 5 Differentiate Financial Accounting and Management accounting?  
[10 Marks]
- Q. 6 Following is the Balance Sheet of M/s Srinivas Ltd. You are required to prepare a Fund Flow Statement Particulars Equity Share capital Profit & Loss 14, 750 17, 000 31, 000 15, 000 16, 500 2006 50, 000 2007 65, 000 Particulars Cash balances Debtors Investment 25, 000 5, 000 27, 000 nil 80, 000 (7000) 2006 10, 000 2007 13, 000 [10 Marks] Trade Creditors 29, 000 Mortgage 10, 000 Fixed Assets 50, 000 Less: Depreciation (5, 250) Short term loans 15, 000 Accrued expenses 8, 000 7, 500 Goodwill 5, 000 nil

Stock Total 1, 26, 750 1, 52, 000 Total 37, 000 1, 26, 750 39, 000 1, 52, 000

Additional Information: 1. Depreciation provided is Rs. 1750. 2. Write off goodwill. 3. Dividend paid Rs. 3500. Fall 2010 Master of Business Administration- MBA Semester 1 MB0041 – Financial and Management Accounting - 4 Credits (Book ID : B1130) Assignment Set- 2 (60 Marks) Note: Each question carries 10 Marks.

### **Answer all the questions.**

- Q. 1 Explain the tools of Management accounting? Marks]
- Q. 2 Find the contribution and profit earned if the selling price per unit is Rs. 25, variable cost per unit Rs. 20 and fixed cost Rs. , 05, 000 for the output of 80, 000 units. [10 Marks]
- Q. 3 Explain the essential features of budgetary control? Marks]
- Q. 4 A large retail stores makes 25% of its sales for cash and the balance on 30 days net. Due to faulty collection practice, there have

been losses from bad debts to the extent [10] [10 of 1 % of credit sales on average in the past.

The experience of the store tells that normally 60 % of credit sales are collected in the month following the sale, 25% in the second following month and 14 % in the third following month. Sales in the preceding three months have been January 2007 Rs. 80, 000, February Rs. , 00, 000 and March Rs. 1, 40, 000. Sales for the next three months are estimated as April Rs. 1, 50, 000, May Rs. 1, 10, 000 and June Rs. 1, 00, 000. Prepare a schedule of projected cash collection. [10 Marks]

- Q. 5 A factory works on standard costing system. The standard estimates of material for the manufacture of 1000 units of a commodity are 400 kg at Rs. 2. 50 per kg. When 2000 units of a commodity are manufactured, it is found that 820 kgs of material is consumed at Rs. 2. 60 per kg. Calculate the material variance [10 Marks]

Q. 6 The Anchor Company Ltd produces most of its electrical parts in its own plant.

The company is at present considering the feasibility of buying a part from an outside supplier for Rs. 4. 5 per part. If this were done, monthly costs would increase by Rs. 1, 000 [10] [10 Fall 2010 The part under consideration is manufactured in Department 1 along with numerous other parts. On account of discontinuing the production of this part, Department 1 would have somewhat reduced operations. The average monthly usage production of this part is 20, 000 units. The costs of producing this part on per unit basis are as follows. Material Labour (half-hour) Fixed overheads Total costs Rs. 1. 80 2. 40 0. 80 5. 00 [10 Marks]