

S.D.E.
M.B.A. (IT) SEM – II (2010 COURSE) (3 YEAR COURSE) :
SUMMER - 2018
SUBJECT: BUSINESS ACCOUNTING

Day: Monday
Date: 04/06/2018

S-2018-4540

Time: 02.00 P.M. TO 05.00 P.M.
Max. Marks: 70

N.B:

- 1) Attempt **ANY FOUR** questions from Section-I and **ANY TWO** from Section-II.
- 2) Figures to the **RIGHT** indicate marks.
- 3) Answers to both the sections should be written in the **SEPARATE** answer books.
- 4) Use of calculator is **ALLOWED**.

SECTION-I

- Q.1** What are the principles of Double entry Book- Keeping? Explain with examples. (10)
- Q.2** Distinguish between Job costing and Process costing. (10)
- Q.3** Define Budgetary control and state its objectives. (10)
- Q.4** Explain international accounting standards. (10)
- Q.5** Write a short notes on **ANY TWO** of the following: (10)
- a) Contract costing system
 - b) Standard costing
 - c) Functions of management accounting

SECTION-II

- Q.6** The Balance sheets of ARIAL Ltd. Are as follows. (15)

BALANCE SHEET					
Liabilities	2010Rs.	2011Rs.	Assets	2010Rs.	2011Rs.
Equity share capital	1,50,000	2,00,000	Goodwill	57,500	45,000
8% Redeemable pref. share capital	75,000	50,000	Land and Building	1,00,000	85,000
General Reserve	20,000	35,000	Plant	40,000	1,00,000
Profit and loss A/c	15,000	24,000	Stock	38,500	54,500
Sundry creditors	27,500	41,500	Debtors	80,000	1,00,000
Bills payable	10,000	8,000	B/R	10,000	15,000
Provision for taxation	20,000	25,000	Cash at bank	5,000	4,000
Provision for Dividend	21,000	25,000	Cash in land	7,500	5,000
	3,38,500	4,08,500		3,38,500	4,08,500

Additional Information:

- a) Depreciation of Rs. 5,000 and Rs. 10,000 have been charged on Plant and Land and Building respectively.
- b) An interim dividend of Rs. 10,000 has been paid in 2011.
- c) Rs. 17,500 Income Tax was paid during the year 2011.

Prepare cash flow statement from above data.

P.T.O.

Q.7

The Trial Balance of Rohan, Mumbai on 31st Mar 2011 is as follows.

(15)

Trial balance as on 31 st Mar. 2011		
Particulars	Debit Rs.	Credit Rs.
Rohan's capital		2,50,000
Rohan's Drawings	7,500	
Investment	1,00,000	
Motor vehicles	80,000	
Office furniture	20,000	
Office Equipment	60,000	
Cash in hand	5,500	
Purchases	4,75,000	
Sales		7,55,000
Returns	15,000	10,000
Carriage	3,500	
Opening stock as on 1 st April 2010	1,40,000	
Rent	30,000	
Debtors	1,76,000	
Salaries	25,000	
Trade Expenses	3,000	
General Expenses	6,000	
Bad- debts	2,500	
Reserve for Bad- debts		7,500
Discount	1,000	500
Creditors		1,26,000
Prepaid Insurance	1,000	
Outstanding salaries		2,000
	11,51,000	11,51,000

Adjustments.

- Closing stock as on 31st March 2011 was valued at Rs. 80,000.
- Depreciation on Motor vehicle and office furniture @ 5% p.a. and office Equipment @ 10% p.a. was to be provided.
- Create 5% for Reserve for Bad. Doubtful debts on debtors.
- Make a provision for discount on debtors @ 2%.

Prepare Trading and Profit and Loss A/c, Balance sheet as on 31st Mar 2011.

Q.8

ABC Ltd has standard costing system. Budgeted volume 59,000 units. Standard selling price Rs 15. Standard profit per unit Rs 3. Standard cost price Rs 12. Standard lab. Hrs 2300 total. Standard wages per employee Rs 35 per hour. In year 2010-11, 60000 units were produced and sold. The above units were purchased at Rs. 12 per unit and were sold at Rs. 15 per unit Laboures were paid. Rs. 31 per hour. Total labour hour required were 2400.

(15)

Calculate from above.

- Cost variance
- Labour rate variance
- Profit variance
- Labour cost variance
- Volume variance

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