

Enrollment No./Seat No.:

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA - SEMESTER - I EXAMINATION - SUMMER 2025

Subject Code: MB01092011

Date: 29-05-2025

Subject Management Accounting
Name:

Time: 02:30 PM TO 05:30 PM

Total Marks: 70

1. Instructions

- 1. Attempt all questions.**
- 2. Make suitable assumptions wherever necessary.**
- 3. Figures to the right indicate full marks.**

- 2. 4. USE of SIMPLE calculators AND non-programmable scientific calculators are permitted.**

	Marks
Q.1 All 7 questions are compulsory (Each of 2 marks)	14
(a) Rule of debit and credit	
(b) Account Payable	
(c) Financial statements	
(d) Depreciation	
(e) Cost centre	
(f) LIFO	
(g) Margin of Safety	
Q.2 (a) What is Management Accounting? How Management Accounting is different from Financial Accounting?	07
(b) Pass journal entries for the following transactions.	07
Started business with cash 7,75,000/-	
Opened bank account with Axis bank 75,000/-	
Purchased goods of Rs 16,500/-	
Paid travelling expense 1250/-	
Sold goods of Rs 9650/- to Mr Ramlal	
Paid electricity bill of Rs 2250/- by cheque	
Received 50% amount from Ramlal	

Purchase goods of Rs 8400/-

Paid salary 4500/-

Paid rent 2000/-

OR

- (b)** Calculate Current Ratio, Quick Ratio, and stock turnover Ratio from the following information? **07**

Cash 30500/- sales 5, 60,000/-
Bank 1, 25,000/- G.P. on sale 20%
Debtor 7,500/- opening stock 65,000/-
Creditors 4,000/- closing stock 15,000/-

Prepaid exp 2,500/-

o/s exp. 3000/-

- Q.3 (a)** What is Cash flow statement? Draw the format of cash flow statement as per Accounting Standard -3 **07**
- (b)** Prepare common size balance sheet of Raj Co. Ltd. as at March 31, 2016 and March 31, 2017 from the given information: **07**

Particulars	2017	2016
Equity and Liabilities		
1. Shareholders' Fund		
a) Share capital	20,00,000	15,00,000
b) Reserve and surplus	3,00,000	4,00,000
2. Non-current liabilities		
Long-term borrowings	9,00,000	6,00,000

3. Current liabilities	3,00,000	2,00,000
Trade payables		
	35,00,000	27,00,000
Total		
II. Assets		
1. Non-current assets		
a) Fixed assets	20,00,000	15,00,000
– Tangible assets	9,00,000	6,00,000
– Intangible assets		
2) Current assets		
– Inventories	3,00,000	4,00,000
– Cash and cash equivalents		
	35,00,000	27,00,000
Total		

OR

- (a) What do you understand by Indian Accounting Standards (Ind AS) ? Discuss the major features and benefits of Indian Accounting Standards . **07**
- (b) Fast company has purchased a plant to manufacture a new product, the cost data for which is given below estimated annual sales is 24,000 units. Estimated cost is given as follows. **07**

Material Rs. 4 per unit

Direct Labour Rs. 0.60 per unit

Factory overhead Rs. 24,000 units

Administrative overhead Rs. 28,800 per year

Selling Expenses 15% of sales

Calculate the selling price if the profit per unit is Rs. 1.02. Prepare the cost sheet showing the breakup of the cost at each stage.

Q.4 (a) What is Unit Costing? Discuss the importance of unit costing. **07**

(b) A product of a factory passes through three processes from the following particulars. Find out the process wise cost for the month ending 31st march, 2020. **07**

Processes

	I	II	III
Material	40,000	20,000	16,000
Wages / Labour	32,000	16,000	8,000
Direct Expenses	12,000	6,000	4,000

Indirect Expenses amount to rupees 28,000. There is no opening and closing stock in the beginning and closing of the month. Units producing during the month are 1,000.

OR

(a) What is Break Even Point? Discuss the importance of Cost- Volume Profit Analysis **07**

(b) The following trial balance is extracted from the books of M/s Ram on March 31, 2017. You are required to prepare trading and profit and loss account and the balance sheet as on date : **07**

Account Title	Amount	Account Title	Amount
Debtors	12,000	Apprenticeship Premium	5,000
Purchases	50,000	Loan	10,000
Coal , Gas and Water	6,000	Bank Overdraft	1,000
Factory Wages	11,000	Sales	80,000
Salaries	9,000	Creditors	13,000
Rent	4,000	Capital	20,000
Discount	3000		

Advertisement	500		
Drawings	1,000		
Loan	6,000		
Petty	500		
Sales Return	1,000		
Machinery	5,000		
Land & Building	10,000		
Income Tax	100		
Furniture	9,900		

Q.5 Company Background:

ABC Ltd. is a manufacturer of widgets. The company has a fixed cost of \$100,000 per month, and each widget is sold for \$50. The variable cost per widget is \$30.

Objective:

The management wants to determine the break-even point and evaluate the impact of changes in sales volume, selling price, and costs on profitability.

Given Data:

- Selling price per widget: \$50

- Variable cost per widget: \$30

- Fixed cost per month: \$100,000

- Current sales volume: 6,000 widgets per month

- (a) Calculate the break-even point in units and dollars. **07**
(b) Determine the profit or loss if the company sells 6,000 widgets per month. **07**

OR

- (a) Calculate the sales volume required to achieve a target profit of \$50,000 per month. **07**
(b) What are the major components of Cost - Volume Profit Analysis ? Discuss. **07**

GUJARAT TECHNOLOGICAL UNIVERSITY**MBA-SEMESTER-I-EXAMINATION-WINTER-2024****Subject Code: MB01092011****Date: 13/01/2025****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.

- Q.1 Explain the terms** **14**
1. Carriage Outward
 2. Cash Transaction
 3. Cost Centre
 4. Equity Share Capital
 5. Liability
 6. Pre-Paid Expense
 7. Tangible Asset
- Q2. (A) Illustrate the journal entries in the books of B LLP.** **7**
1. The interior designing services were provided to Sargam Ltd. The client is yet to pay Rs. 1,25,000.
 2. Bought wood, fevicol, nails etc of Rs.8,000 and constructed a table for the office. The amount via crossed cheque.
 3. The salesman was sent to Nadiad to deliver the goods, he deducted his travelling expense of Rs.500 and returned the amount of Rs.34,100.
 4. The entrepreneur of the company paid the company's electricity bill of Rs.12,000 through his personal credit card.
 5. Paid salary to the carpenter Rajubhai Rs.20,000 through bank transfer.
 6. Paid the registration fees to participate in the wood design expo Rs.3,000 via G-Pay.
 7. From the material, constructed a wooden showpiece for the house Rs.4,000.
- (B) Outline the difference between the Cost Accounting and Management Accounting.** **7**
- OR**
- (B) Explain the Cost Concept, Matching Concept, and Account Periodicity Concept.** **7**
- Q3. (A) Discuss the objectives and advantages of cost-accounting.** **7**
- Q3. (B) Prepare the vertical Balance-Sheet of M/s. C Ltd for the year ending 31st March 2024:** **7**

Particulars	Rs.	Particulars	Rs.
Land and Building	1000000	Preference Share Capital	25000
Equity Share Capital	1650000	Furniture	200000
Plant and Machinery	615000	General Reserve	85000
Goodwill	135000	Debentures	20000
Investments in Mutual Fund	125000	Corporate Deposit	7000
Public Deposit	10000	Debtors	32000
Creditors	25000	Advance from Customers	23000

Stock	17000	Unearned Income	2000
Electricity Deposit	90000	Pre-Paid Fees	1500
Outstanding Rent	1000	Provision for Provident Fund	119000
Outstanding Electricity Bills	500	Current Year's Provision for Tax	21000
Loose Tools	11000	Short Term Loans to Employees	58000
P&L A/c	347000	Bank OD	10000
Cash Balance	1000	Bank Balance	35000
Bank Call Deposit	10000		

OR

Q3. (A) IFRS is implemented by many Indian companies, why? Discuss the objectives and importance of IFRS. **7**

Q3. (B) Following figures are extracted from the records of a company, for the year 2015-16: **7**

Particulars	Rs.
Direct Materials	60,000
Direct Wages	50,000
Works Overhead	30,000
Administrative overhead	33,600
Selling overhead	22,400
Distribution overhead	14,000
Profit	52,500

One material has been manufactured and supplied to Mr. X., in 2016-17 for which following expenses were incurred:

Particulars	Rs.
Direct Materials	4,000
Direct Wages	2,000

In 2016-17 works overhead was increased by 20%, distribution overhead had been decreased by 10% and selling and administrative overhead each were increased by 12.5%.

At what price the above supply is to be billed to Mr. X so as to earn the same rate of profit on selling price as earned in 2015-16. Assume that works overhead is based on direct wages, while all other overheads are based on works cost. Prepare the statement of cost and estimated cost sheet for the work order.

Q4. (A) RST Limited processes product Z through two distinct processes-Process and Process-II. On completion, it is transferred to finished stock. From the following information for the year 2008-09, prepare Process-I and Process-II account. **7**

Particulars	Process-I	Process-II
Raw material used	7,500 units	-
Raw material cost per unit	Rs.60	-
Transfer to next process/ finished stock	7,050 units	6,525 units
Normal Loss (on inputs)	5%	10%
Direct Wages	Rs.1,35,750	Rs.1,29,250
Direct Expenses	60% of direct wages	65% of direct wages
Manufacturing overhead	20% of direct wages	15% of direct wages
Realizable value of scrap per unit	Rs.12.50	Rs.37.50

6,000 units of finished goods were sold at a profit of 15% on cost. Assume that there was no opening or closing stock of work-in -progress.

- Q4. (B)** What is Break-Even Analysis? Explain in detail. 7

OR

- Q4. (A)** Prepare vertical profit and loss account from the following data and estimate the profit or loss. Assume the year ending is 31/03/2024. 7

Assume that the tax rate is 28%.

Particulars	Rs	Particulars	Rs
Purchases	315000	Interest on FD	50000
Sales	700000	Carriage Inward	500
Depreciation on assets	21000	Electricity expense	7000
Municipal Tax	2000	Salary to employees	125000
Bad debts	7500	Contribution to PF	15000
Telephone Expense	3000	Interest paid on Bank Loan	31000
Interest on Debenture	23000	Contribution to Gratuity	50000
Taxes	5000	Amortization of Goodwill	5000
Production Expenses	6500	Postage and Courier	500
Profit on Shares	9250	Sales Return	2000
Purchase Return	2000	Commission Received	6000
Opening stock	5000	Closing stock	6000

- Q4. (B)** From the following data find out (1) Sales, and (2) Break Even Sales, if selling price is reduced by 10%. 7

Particulars	Rs.
Fixed Cost	Rs.4,000
Break-Even Sales	Rs.20,000
Profit	Rs.1,000
Selling price per unit	Rs.20

- Q5. (A)** Suppose the actual sales at new selling price is Rs.40,000, find out the margin of safety. From the following data compute the current ratio, debtors turnover ratio, debtors velocity, creditors turnover, creditors velocity, stock turnover, and stock velocity. 7

Particulars	2023	2024
Net Credit Sales	Rs.15,00,000	18,00,000
Debtors	Rs.80,000	Rs.70,000
Bills Receivable	Rs.10,000	Rs.20,000
Creditors	Rs.70,000	Rs.90,000
Net Credit Purchase	Rs.5,00,000	Rs.6,50,000
Stock	Rs.30,000	Rs.20,000
Cost of Goods Sold	Rs.1,25,000	Rs.2,10,000

The opening values of certain items are as under:

Particulars	2023
Debtors	Rs.50,000
Bills Receivable	Rs.5,000
Creditors	Rs.20,000
Stock	Rs.15,000

The company work for 360 days in a year.

- Q5. (B)** A machine was purchased on 01/04/2020 for Rs.6,80,000. The installation charges paid was Rs.20,000. The depreciation was charged on reducing balance at 15%. p.a. On 01/07/2021 another machine was purchased, for Rs.30,000. On 31/03/2022 the 7

machine purchased on 01/07/2021 was sold for Rs.18,000. On 01/10/2023 a new machine was purchased for Rs.50,000. Prepare machine account for three financial years.

OR

Q5. (A) From the following data prepare the cash flow statement:

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Particulars	2023 (Rs.)	2024 (Rs.)
Liabilities		
Equity Share Capital	5,00,000	6,00,000
Preference Share Capital	4,00,000	1,00,000
Profit and Loss A/c	7,00,000	9,00,000
General Reserve	50,000	80,000
Creditors	45,000	65,000
Bills Payable	25,000	15,000
Provision for tax	30,000	40,000
Total	17,50,000	18,00,000
Assets		
Land and Building	8,00,000	10,00,000
Plant and Machinery	3,50,000	3,00,000
Furniture	1,00,000	1,50,000
Stock	50,000	60,000
Debtors	3,00,000	2,00,000
Bills Receivable	50,000	60,000
Cash and Bank	1,00,000	30,000
Total	17,50,000	18,00,000

Additional Information:

1. Depreciation on Land and Building is Rs.30,000.
2. Depreciation on Plant and Machinery is Rs.15,000.
3. Depreciation on Furniture is Rs.10,000.
4. Taxes paid from the provisions during the year is Rs.35,000.

Q5. (B) Prepare a stock register using the following information of Cos. C.

7

01/01/2024	Opening stock of 200 units at Rs.10 per unit.
02/01/2024	Purchased 350 units at Rs.12 per unit.
03/01/2024	Sold 100 units.
04/01/2024	Sold 50 units.
05/01/2024	Purchased 400 units at Rs.15 per unit.
09/01/2024	Sold 210 units.
15/01/2024	Sold 300 units.
19/01/2024	Sold 200 units.

Use FIFO and LIFO method. Under which method assets will be more, and why? Under which method tax can be saved and why?
