

**Code No: MB1613 /R16**

**MBA I Semester Supplementary Examinations, July-2021**

**ACCOUNTING FOR MANAGERS**

**Time: 3 Hours**

**Max. Marks: 60**

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*Answer Any FIVE Questions  
All Questions Carry Equal Marks  
Question No. 8 is Compulsory*

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1. a Define Accounting. 2M  
b Explain the accounting concepts and conventions. 10M
2. a How do you prepare a balance sheet? 5M  
b Explain the limitations of financial statements. 7M
3. a What are financial statements? 3M  
b How far financial statements are helpful to the parties interested to know the position of the enterprise? 9M
4. a Distinguish between direct and indirect costs. 5M  
b How do you determine the unit cost of a certain product? 7M
5. a Explain the significance of Break-Even Analysis. 6M  
b What is Cost-Volume-Profit Analysis? Give its objectives. 6M
6. a What is Trial Balance? 2M  
b From the following information, prepare a Trial Balance. 10M

Name of the Account	Amount (₹)	Name of the Account	Amount (₹)
Cash in Hand	4500	Land & Building	50000
Bank OD	8000	Debtors	18400
Opening Stock	20000	Creditors	8500
Purchases	80000	Bills Receivable	2850
Purchase returns	2000	Bills Payable	1650
Sales	130000	Capital	60000
Sales Returns	5000	Drawings	6000
Travelling Expenses	1800	Rent	3700
Discount Allowed	600	Salaries	3600
Discount Received	1500	Loan (Cr.)	10000
Machinery	24000	Interest on Loan	1200

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7. a Sales are ₹1,50,000, producing a profit of ₹4,000 in the period I. Sales are ₹1,90,000, producing a profit of ₹12,000 in Period II. Determine BEP. 5M
- b A product is sold at a price of ₹120 per unit, and its variable cost is ₹80 per unit. 7M  
The fixed expenses of the business are ₹8,000 per year. Find
- i) BEP in Rupees and Units  
ii) Profits made when sales are 240 units  
Sales to be made to earn a net profit of ₹5,000 for the year.
8. An automobile manufacturing company produces a product at its workshop is ₹6.00 each; the same is available in the market at ₹5.60 each with no assurance of continuous supply. Therefore, the cost data is as follows. 12M

Particulars	₹
Direct Materials	2.50
Direct Labour	2.00
Other variable costs	0.50
Fixed costs	1.00
<b>Total</b>	<b>6.00</b>

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