SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY : PUTTUR
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QUESTION BANK (DESCRIPTIVE)

Subject with Code : Accounting for Managers(20MB9002)   **Course & Branch**: MBA

Year &Sem: I-MBA & I-Sem   **Regulation:** R20

UNIT –I
INTRODUCTION TO ACCOUNTING

1	a) What is accounting? Explain its objectives. b) Elucidate the any five concepts of accounting.	[L1][CO1] [L2][CO1]	**[5M]** **[5M]**
2	a) Briefly describe the methods of accounting. b) Describe the convention of accounting.	[L1][CO1] [L2][CO1]	**[6M]** **[4M]**
3	a) Write a short on Dual aspects and Money measurement. b) Describe the rules of double entry and gives examples for each of the rules.	[L1][CO1] [L3][CO1]	**[4M]** **[6M]**
4	a) Distinguish between single entry system and double entry system. b) What are the advantages of accounting ?	[L2][CO1] [L1][CO1]	**[6M]** **[4M]**
5	a) What do you mean by accounting? b) State the objectives of accounting .Who are the users of accounting information ?	[L1][CO1] [L3][CO1]	**[2M]** **[8M]**
6	a) Define accrual concepts? b) What are the advantages and disadvantages of accounting ?	[L1][CO1] [L2][CO1]	**[2M]** **[8M]**
7	a) Explain the importance of accounting. b) what do you understand by the convention of 'full disclosure'?How is it important ?	[L1][CO1] [L2][CO1]	**[5M]** **[5M]**
8	a) State the Generally Accepted Accounting Principles . b) Briefly explain the single entry system.	[L2][CO1] [L2][C01]	**[6M]** **[4M]**
9	a) Briefly explain the accounting concepts and conventions. b) What is accounting equation? Explain its rationale.	[L3][CO1] [L1][CO1]	**[7M]** **[3M]**
10	a) What do you mean by accounting period concept ? b) Evaluate various methods of accounting.	[L2][CO1] [L2][CO1]	**[2M]** **[8M]**

UNIT –II
PREPARATION OF FINAL ACCOUNT &DEPRECIATION

1	a) Define accounting. b) What is journal ?Gives the points of distinction between journal and ledger.	[L2][CO2] [L1][CO2]	**[2M]** **[8M]**
2	a) What is accounting cycle? Explain with diagram. b) Draw specimen of journal with two examples.	[L2][CO2] [L2][CO2]	**[6M]** **[4M]**
3	a) What are subsidiary books of accounts? b) Describe the classification of capital and revenue expenses.	[L1][CO2] [L2][CO2]	**[4M]** **[6M]**
4	a) List out the features of depreciation. b) Discuss in detail the concept of depreciation .	[L2][CO2] [L2][CO2]	**[5M]** **[5M]**
5	Prepare journal and post them into ledger: 01.07.2020 Raj started business with cash 100000 05.07.2020 Purchased goods for cash 3000 07.07.2020 Goods purchased from mani 6000 09.07.2020 Sold goods to sai 2000 12.07.2020 Rent paid 500 14.07.2020 Cash withdraw for personal use 1000	[L5][CO2]	**[10M]**
6	a) Elucidate the straight line method. b) State the annuity method with example.	[L2][CO2] [L2][CO2]	**[5M]** **[5M]**
7	Prepare trading account from the following ledger balances as on 31st march 2020 Particulars ₹ Particulars ₹ Stock (1-4-2019) 10000 Sales 300000 Purchase 160000 Returns inward 16000 Wages 30000 Returns outward 10000 Carriage inwards 10000 Gas and fuel 8000 Freight inwards 8000 Stock on ^{31st}march ,2020 20000	[L6][CO2]	**[10M]**
8	a) Describe the methods of valuing various Tangible and Intangible assets. b) Write a short on Diminishing Balance method.	[L2][C02] [L2][CO2]	**[6M]** **[4M]**
9	A company acquired a machine on 1.1.2018 at a cost of ₹ 40000 and spent on ₹ 1000 on its installation .The firm writes off depreciation at 10% on the straight line method and diminishing balance method. The books are closed on 31^{st}December of each year .show the machinery account for 3 years.	[L5][CO2]	**[10M]**
10	A machine purchased on 1st July 2017 at a cost of ₹ 14000 and ₹1000 was spent on its installation. The depreciation is written off at 10% on the original cost every year. The book are closed on 31st December each year .The machine was sold for ₹ 9500 on 31st march 2020.Show the machinery account for all the years.	[L5][CO2]	**[10M]**

UNIT –III
FUNDS FLOW ANALYSIS

1	a) What do you understand by the working capital concept of the term 'funds'? b) What is meant by funds from operation?	[L2][CO3] [L1][CO3]	[7M] [3M]
2	a) Define cash from operation. b) Mention some of the differences between cash flow statements and funds flow.	[L1][CO3] [L2][CO3]	[2M] [8M]
3	a) State its significance of funds flow statement. b) Elucidate the various advantages of cash flow statement.	[L3][CO3] [L2][CO3]	[5M] [5M]
4	a) Describe the uses of cash flow statement. b) Elucidate funds from operation .How is it computed?	[L2][CO3] [L3][CO3]	[5M] [5M]
5	a) Define investing activities. b) What do you mean by cash from operating activities? How is this calculated?	[L1][CO3] [L2][CO3]	[2M] [6M]
6	a) Explain the steps in the preparation of funds flow statement. b) Discuss in briefly about dis-advantages of funds flow statement.	[L2][CO3] [L2][CO3]	[5M] [5M]

7	a) What are the limitations of cash flow statement? b) To prepare Statement of change in working capital.	[L1][CO3] [L5][CO3]	[4M] [6M]

Liabilities	2019	2020	Assets	2019	2020
Bills payables	70000	100000	Cash	35000	75000
capital	125000	150000	Bills receivables	98000	90000
Retained earnings	60000	75000	Stock	87000	120000
			Long term interest	15000	10000
			Land	20000	30000
	255000	325000		255000	325000

8	Following information is available from the book of standard company Ltd.	[L5][CO3]	[10M]

Profit made during the year	250000	Nil
Income received in advance	500	600
Prepaid expenses	1600	1400
Debtors	80000	95000
Bills receivable	25000	20000
Creditors	45000	40000
Bills payable	13000	15000
Outstanding expenses	2500	2000
Accrued income	1500	1200

Calculate cash flow from operations.

9	During the year 2017 ,sony Ltd .earned a profit of ₹ 185720 after adjusting the following :	[L5][CO3]	[10M]

Particulars	₹
Provision for bad debts	1500
Salaries	8500
Depreciation written off	15300
Profit on sale of fixed assets	14000
Discount on debentures written off	20000
Loss on sale of investment	2000
Preliminary expenses written off	8000
Proposed dividend	50000
Transfer to debenture redemption fund	20000
Dividend received	4500

Calculate funds from operation.

| 10 | From the following balance sheet of XYZ co. Ltd., prepare a statement of sources and uses of funds. | [L5][CO3] | [10M] |

Liabilities :	2017	2018
Equity capital	150000	125000
Accounts payable	100000	70000
General reserve	75000	60000
	325000	**255000**
Assets:	**2017**	**2018**
Cash in hand	75000	35000
Accounts receivable	90000	98000
Stock	120000	87000
Land	30000	20000
Long term investment	10000	15000
	325000	**255000**

UNIT-IV

MARGINAL COSTING

1	a) Define marginal cost . Explain the importance of marginal cost b) Write a short note on objective of marginal cost.	[L2][CO4] [L1][CO4]	**[6M]** **[4M]**
2	a) What is mean by absorption costing. b) Explain the advantages and disadvantages of marginal costing.	[L2][CO4] [L2][CO4]	**[3M]** **[7M]**
3	a) Distinction between absorption costing and marginal costing. b) What is break even analysis.	[L2][CO4] [L1][CO4]	**[8M]** **[2M]**
4	a) Elucidate cost – volume profit analysis. b) Illustrate the uses of break-even analysis.	[L2][CO4] [L2][CO4]	**[5M]** **[5M]**
5	a) Discuss the applications of the marginal costing technique. b) Clarify the various advantages of marginal costing.	[L2][CO4] [L3][CO4]	**[6M]** **[4M]**

6	From the following information calculate:
	
	a) P/V Ratio.
	
	b) Breakeven point.
	
	c) Margin of safety.
	
	d) If selling price is reduced to ₹.90, how much is the margin of safety is reduced?
	
	       • Total sales Rs.3, 60,000
	
	       • Selling price per unit
	
	       • Rs.100Variable cost per
	
	       • unit Rs.50 Fixed cost
	
	       • ₹ 1, 00,000.
		[L5][CO4]	**[10M]**

7	a) Explain the break even point advantages. b) List out the features of marginal costing.	[L2][CO4] [L2][CO4]	**[5M]** **[5M]**

8	From the following data calculate the break even point.
	  Direct material per unit ₹ 3
	  Dircect labour per unit ₹ 2
	  Fixed overhead (Total) ₹ 10,000
	  Variable overhead 100% on direct labour
	  Selling price per unit ₹ 10
	  Trade discount 5%
	  Also determine the net profits ,if sales are 10% above the break even point .
		[L5][CO4]	**[10M]**

9	The sales and profit during two years are given below :
	
	  Year sales (₹) Profit (₹)
	  2019 2000000 200000
	  2020 3000000 400000
	Calculate (a) P/V ratio (b) Sales required to earn a profit of ₹ 500000.
		[L5][CO4]	**[10M]**

10	a) What is meant by marginal cost and difficulties. b) Describe the make or buy and fixing selling price.	[L1][CO4] [L2][CO4]	**[5M]** **[5M]**

1	a) Definition of cost accounting . b) Explain the elements of cost accounting.	[L1][CO5] [L2][CO5]	**[2M]** **[8M]**
2	a) Elucidate the types of cost accounting. b) What are the emerging needs of cost accounting?	[L2][CO5] [L2][CO5]	**[5M]** **[5M]**
3	The standard cost card shows the following detailes relating to material needed to produce 1 kg. of groundnut oli :- Quantity of groundnut required 3kg Price of groundnut ₹ 2.50 per kg **Actual production data :** Production during the month 1000kg Quality of material used 3500kg Price of groundnut ₹ 3 per kg **Calculate :** (a) material cost variance (b) Material price variance (c) Material usage variance	[L5][CO5]	**[10M]**
4	a) Describe the relationship between cost accounting and financial accounting. b) State the purpose of preparation of cost sheet.	[L2][CO5] [L2][CO5]	**[5M]** **[5M]**
5	a) Define labour variance. b) How do you classify the costs? State various methods.	[L1][CO5] [L2][CO5]	**[2M]** **[8M]**
6	The following information is given : Standard hours per unit 15 Standard rate ₹ 4 per hour **Actual data :** Actual production 1000units Actual hours 15300 hours Actual rate ₹ 3.90 per hour Calculate labour cost variance and labour rate variance.	[L5][CO5]	**[10M]**
7	a) write a short note on Stanard costing with example. b) Explain the material variance and labour variance.	[L2][CO5] [L2][CO5]	**[5M]** **[5M]**
8	a) What is variance analysis? b) Elucidate elaborately the parts of total cost and the components to be included therein.	[L1][CO5] [L2][CO5]	**[2M]** **[8M]**
9	From the following particulars ,compute : Quantity of materials purchased 3,000 units Value of materials purchased ₹ 9,000 Standard qunantity of materials required per ton of output 30 units Standard price of material ₹ 2.50 per unit Opening stock of materials Nil Closing stock of materials 500 units Output during the period 80 tons (a)Material cost variance (b) Material price variance (c) Material usage variance	[L5][CO5]	**[10M]**
10	A manufacturing concern which has adopted standard costing furnishes the following information: **Standard :** Material for 70 kg finished products 100kg Price of material ₹ 1 per kg **Actual:** Output 2,10,000 kg Material used 2,80,000 kg Cost of ,materials. ₹ 2,52,000 **Calculate :**	[L5][CO5]	**[10M]**

| (a)Material usage ,(b) Material price variance ,(c) Material cost variance . | | |

Case study 1:   **10M**

   The following Trail balance was extracted from the books of Mr Mani & sons on March 31, 2020.You are required to prepare a Trading account and profit and loss account for the year ended March 31, 2020 and a Balance sheet as on that date.

Particulars	Debit ₹.	Credit ₹.
Debtors	12000	
Creditors		7900
Capital		30000
Drawings	2900	
Rent and rates	250	
Trade expenses	670	
Purchases	8640	
Sales		14290
Return outwards		280
Return inwards	190	
Carriage inwards	250	
Wages	2950	
Salaries	1200	
Stock(1-4-2019)	3100	
Discount received		240
Discount allowed	180	
Bad debts	200	
Machinery	2510	
Furniture	1800	
Cash in hand	500	
Cash at Bank	15400	
	52710	52710

Closing stock was valued Rs.14, 220

Case study 2:   **10M**

The Journalize the following transactions and prepare Ledgers in the books of sai.

Particulars	Rs
Sai commenced business	75,000
Deposit in to bank	30,000
Purchase furniture and paid by cheque	1,500
Good purchased from kethan	20,000
Kethan full settlement	19500
Goods retured to kethan	400
Good sold to ravi	5,00

Commission received	250
Salaries	4,000

Case study 3:   **10M**

The following data is given :

Selling price	₹ 20 per unit
Variable manufacturing costs	11 per unit
Variable selling costs	3 per unit
Fixed factory overheads	5,40,000 per year
Fixed selling costs	2,52,000 per year

Your are required to compute :

i.Break even point expressesd in amount of sales in rupees ;

ii.Number of units that must be sold to earn a profit of ₹ 60,000 per year.

iii.How many units must be sold to earn a net income of 10% of sales ?

Case study 4:   **10M**

Following information is available from the book of standard company Ltd.

Profit made during the year	250000	Nil
Income received in advance	500	600
Prepaid expenses	1600	1400
Debtors	80000	95000
Bills receivable	25000	20000
Creditors	45000	40000
Bills payable	13000	15000
Outstanding expenses	2500	2000
Accrued income	1500	1200

Calculate cash flow from operations.

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