



MUTHAYAMMAL ENGINEERING COLLEGE

(An Autonomous Institution)

(Approved by AICTE, New Delhi, Accredited by NAAC & Affiliated to Anna University)



Rasipuram - 637 408, Namakkal Dist., Tamil Nadu

19MBA05 – Accounting For Management Question Bank

Unit – I: Financial Accounting

PART A

1. Define Accounting? State its functions?
2. Explain the rules regarding posting of transaction into the ledger?
3. Name the objective for preparing Balance sheet
4. What is the objective of preparing final account
5. Explain about functions and importance of accounting?
6. What is meant by Gross profit?
7. Define GAAP Concepts
8. What is expense?
9. What are the rules of the double entry system?
10. What are the accounting concepts and conventions?

PART B

1. Explain in detail about Accounting concepts and convention.
2. Explain about functions and importance of accounting?
3. Discuss accounting as a system of information. Enlist the parties that are interested in the accounting information
4. Prepare final accounts for the following balances of Ravi & Co ltd.,

Particulars	Debit	Credit	Particulars	Debit	Credit
Opening Stock	12000		Travelling Expenses	400	
Purchases	40000		Fire insurance Premium	800	
Sales		86000	Machinery	20000	
Discount		400	Carriage on purchase	700	
Returns	6000	4000	Commission	400	
Buildings	50000		Cash in Hand	2300	

Debtors	16000		Rent & taxes	1800	
Salaries	2400		Capital		62000
Office Expenses	1200		Creditors		10800
Wages	10000				
Interest		800		164000	164000

Adjustments:

1. Closing Stock was valued at Rs.16000.
 2. Wages -2000 and Salaries- 1200 are outstanding.
 3. rent for two months at the rate of 500 p.m is outstanding.
 4. Depreciate building-5% and Machinery – 10%
 5. Prepaid Insurance -200
5. Prepare Final Accounts for Govindha & Co for 31st March 2015.

Particulars	Debit	Credit	Particulars	Debit	Credit
Capital		30000	Purchases & Sales	66000	110000
Drawings	5000		Returns	8000	1500
Debtors & Creditors	20000	10000	Carriage Outwards	2500	
Loan		9500	Carriage Inwards	3000	
Interest on loan	300		Salaries	9000	
Cash in hand	2000		Rent & Insurance	3000	
Provision for bad debts		700	General & Expenses	6900	
Stock on 1.4.14	6800		Bad debts	500	
Motor vehicle	10000		Discount		500
Cash at bank	3500		Bills Receivable and Bills Payable	6000	2000
Land & Building	12000		Rent Received		300
				164500	164500

4. **Adjustments:** Closing stock 7000 , Depreciation on land and Building-2.5% and Motor vehicle-20% ,Salaries outstanding 200,Prepaid insurance 200, Provision for bad & doubtful debts-5% on debtors. (OR)

Unit – II: Cost Analysis

PART-A

1. What is cost?
2. What is Prime cost?
3. Explain about cost Sheet?
4. List out the elements of costs?
5. Define Marginal costing?
6. Explain the Cost coming under Marginal Costing
7. Write short notes on activity based costing?
8. What is process costing?
9. What is direct cost?
10. Explain the classification of overheads?

PART B

1. Explain the procedure involved in preparing the cost sheet?
2. Describe uses of activity based costing?
3. Prepare cost sheet with inventories for Govindha & Co for 31st March 2015. (OR)

Opening Stock		Material Purchased	500000
Materials	200000	Direct wages	150000
Work in Progress	60000	Manufacturing Expenses	100000
Finished goods	5000	Sales	800000
Closing Stock		Selling and distribution expenses	20000
Materials	180000		
Work in Progress	50000		
Finished goods	15000		

4. What is meant by cost sheet? Explain the importance of Cost Sheet.
5. From the following find out
 - a. PV ratio
 - b. BEP
 - c. Margin of Safety
 - d. Required sales for the net profit of Rs 70000
 - e. Profit

Sales	200000
Variable O/H	150000
Contribution	50000
Fixed Overhead	15000

Unit – III: Management Accounting

PART-A

1. What is meant by flow of fund?
2. What do you mean by Ratio Analysis?
3. What is the classification of Ratio?
4. What is financial analysis?
5. Differentiate between fund and cash?
6. State the two importance of financial statement?
7. How a fund from operations is calculated?
8. What are the tools financial analyses?
9. Write short notes on common size statement analysis.
10. What do you mean by cash flow from operating activities?

PART B

1. State any four tools which are commonly used for analyzing and interpreting financial statements.
2. What are the main techniques of financial statement analysis?
3. Explain elaborately various steps in preparing fund flow statement?
4. Differentiate between fund flow statement and cash flow statement.
5. What is meant by fund flow statement? Prepare a schedule of changes in working capital with imaginary figures.
6. What do you mean by Cash Flow Statement? State main objectives of cash flow statement

Unit – IV: Budgeting

PART A

1. Give a list of any **four** functional budgets?
2. Write a short note on ZBB.
3. Type of budgets? And what is a sales budget?
4. Define budgetary control and give its essentials.
5. What is the unique feature of zero base budgeting?
6. What is flexible budget?
7. Define a budget and give its four essentials?
8. Define budgetary control and give its essentials?
9. What do you mean by labour efficiency variance? How is it calculated?
10. Differentiate between fixed budget and flexible budget?

PART B

1. What is budgetary control? Explain its managerial application.
2. Explain the limitations of budgetary control.
3. Prepare a flexible budget for overheads on the basis of the following data for 60%
Ascertain overhead rates at 50%,60% & 70%. **Variable overheads:** Indirect material-6000

Indirect labour-18000; Semi variable O/H :Electricity (40% fixed 60% variable)-30000, Repairs(80% fixed 20% variable)-3000; **Fixed overheads:** Depreciation -16500;Insurance-4500;Salaries-15000; total overheads-93000; Estimated direct labor hours-186000

1. Describe various steps involved in budgetary control system.
 2. Explain various process of preparing the budget.
4. From the following data forecast the cash position at the end of April, May and June 15

Month 2015	Sales	Purchases	Wages	Sales Expenses
Feb	60000	40000	5000	3500
March	65000	49000	6000	4500
April	35000	50000	4000	2500
May	58000	51500	5000	5000
June	42500	40000	4000	3000

5. Further Information: **Sales** at 10% realized in the month of sales. Balance equally realized in 2 subsequent months. **Purchases** : Creditors are paid in the month of supply. **Wages:20%** paid in arrears in the following month itself. Income tax Rs 10000 payable in June. Dividend payable in June Rs6000.Income from investments Rs.1000 received half yearly in March & September. Cash balance on hand as on 1.4.15 20000

UNIT –V: Standard Costing

PART A

1. What is standard?
2. What is Standard Cost?
3. Define Standard Costing.
4. Enumerate the benefits of Standard Costing.
5. Indicate the industries in which Standard Costing System is most suitable.
6. What are ideal Standards?
7. What do you understand by ‘Attainable high performance standards’?
8. State the merits of Standard Costing.
9. What are the Managerial uses of variance Analysis?
10. What is variable overhead variance?

PART B

1. Differentiate between the standard cost and budgeting.
2. Describe the advantages and limitations of standard costing
3. Explain the Direct material variance with its types.
4. Explain the Direct Labour variance with its types.
5. “Standard costing is the most effective cost control system for manufacturing organizations” Explain the Statement.