DEPARTMENT OF MANAGEMENT
SCHOOL OF MANAGEMENT &BUSINESS STUDIES
JAMIA HAMDARD

Odd Semester Examination (Online) March 2021

MBA [Semester I]

Subject Name: Financial and Management Accounting MM: 75

Subject Code: MBA-FG-103 Time: 03Hours

Email Id of the Examiner: vardah.saghir@gmail.com

Email Id of the Assistant Superintendent of Exams: mba1march2021@gmail.com
Email Id of Dean: deanmanagement@jamiahamdard.ac.in

Note:

- Students have to submit the **Scanned hand written solutions** to the Examiner, Assistant Superintendent of Examination and Dean on the email ids as mentioned above.
- Students shall use **ruled white paper & blue ink** to write the solution. Each page must have a **serial number and the signature** of the student.
- An additional ½ an hour will be given to the examinees to scan the answer sheets, convert it into single PDF and upload it on the id's given on the question papers.
- If any two copies are found to be similar then both the copies shall be cancelled. Such students will be considered/ tried for unfair means.
- The attached PDF shall be named as follows –
  Full Name-Enrollment Number-Course-Semester-Subject Abbreviation (Example: Rabia Shaheen-2017-334-032-MBA-III-QTM) and students shall also mention the same in subject line of the email & his/her answer copy also.
- Answer All Questions, each carry equal marks.

Q1a: Based on the Trial Balance of Martha Ltd. as on 31st March 2013, answer the following questions.

i) Calculate the gross profit of Martha Ltd. during the year.

ii) Calculate the net profit of Martha Ltd. during the year

iii) What is the total of assets in the balance sheet as on 31.03.2013 after making all adjustments?

iv) In the financial statements of Martha Ltd, what amount will appear with respect to bad debts as on 31.03.2013 after providing for all adjustments?

v) How much capital account would appear in the Balance Sheet?

Particulars	Debit (Rs)	Credit (Rs)
Purchases	15000	
Debtors	20000	
Interest earned		400
Salaries	3000	
Sales		32100
Purchase Returns		500
Wages	2000	
Rent	1500	
Sales Returns	1000	
Bad Debts written off	700	
Capital		12000
Creditors		10000
Drawings	2400	
Provision for bad debts		600
Printing and Stationery	800	
Insurance	1200	
Opening Stock	5000	
Office Expenses	1200	
Furniture & Fittings	2000	
Accumulated depreciation		200
Total	55800	55800

Additional Information:

- Depreciate furniture & fittings by 10% on original cost.
- Make a provision for doubtful debts equal to 5% of debtors.
- Salaries for the month of march amounting to Rs 300 were unpaid which must be provided for. The balance in the account includes Rs 200 paid in advance.
- Insurance is prepaid to the extent of Rs 200.
- Provide Rs 800 for office expenses.

- Stock valued at Rs 600 was put by owner to his personal use.
- Closing stock was valued at Rs 6000.

Q1b: Consider the following data pertaining to Mythili & Co. for the year ended March 31, 2019. The manager of the business is entitled to a commission of 6% on profit after charging his commission.

Particulars	Amount (Rs)
Sales	550000
Purchases	450000
Opening Stock	40000
Salaries and Wages	22000
Printing and Stationery	3000
Rent paid	12000
Prepaid Insurance	4000
Carriage Inward	3700
Carriage Outward	2500
Returns Inward	20000
Returns Outward	15000
Closing Stock	20000

Find out the commission payable to the manager for the year 2018-19.

Q2a: Explain the following with suitable illustration.

(i) Comparative Income Statement

(ii) Common Size Balance Sheet

Q2b: The current ratio of a company is 2:1. State giving reasons which of the following would improve, reduce or not change the ratio.

(i) Repayment of a current liability

(ii) Purchasing goods on cash

(iii) Sale of office equipment for Rs 4000 (Book Value Rs 5000)

(iv) Sale of goods for Rs 11000 (cost Rs 10000)

(v) Payment of dividend

Q3: Prepare a cost sheet from the following particulars in the books of RM Sons

Raw Material Purchased	120000	
Wages paid to labourers	35000	
Directly chargeable expenses	25000	
Pre packaging material	5000	
Freight	5000	
Factory Cost	20% of prime cost	
General and administrative expenses	4% of factory cost	
Selling and distribution expenses	5% of production cost	
Profit	20% on sales	
	Opening Stock	Closing Stock
Raw Material	15000	20000
Work in Progress	17500	24000
Finished Goods	20000	27500

Q4a: Discuss the different types of functional budgets prepared by a large scale manufacturing concern. Explain and illustrate the method of preparation of a sales budget for a firm having two sales divisions – Delhi and Amritsar and selling two products – Alpha and Beta.

Q4b: From the following particulars, compute (i) Material Cost Variance (ii) Material Price Variance and (iii) Material Usage Variance

Quantity of material purchased	3000 units
Value of material purchased	Rs 9000
Standard quantity required per tonne of output	30 units
Standard rate of material	Rs 2.5 per unit
Opening stock of material	Nil
Closing stock of material	500 units
Output during the period	80 tons

Q5: From the given data, answer the following:

(i) Calculate the P/V Ratio

(ii) Find out the break even sales using P/V ratio

(iii) Calculate sales required to earn a profit of Rs 450000.

(iv) Write the importance of break even analysis.

(v) What is Margin of Safety?

Fixed Expenses	Rs 90000
Direct Material	Rs 5
Direct Labour	Rs 2
Direct Overheads	100% of Direct Labour
Selling price per unit	Rs 12