

Second Year MHA Degree Examinations, October 2013**Management Accounting and Cost Accounting****Time: 3 Hours****Total Marks: 100**

- Answer all questions. Draw diagrams wherever necessary
- Write **section A** and **section B** in **separate answer books. Do not mix up questions from section A and section B.**

QP CODE: 204380 Section A – Management Accounting Marks: 50**Essay: (20)**

1. From the following figures extracted from the books of T. Anand , you are required to prepare a Trading and Profit and Loss Account for the year ended 31st December 2012 and a Balance Sheet as on the date after making the necessary adjustments.

Debit Balances		Credit Balances	
	Rs		Rs
Purchases	1,20,500	Capital	52,000
Stock on 1st Jan 2012	21,500	Sales	1,86,000
Salaries	14,000	Sundry Creditors	10,900
Rent & Rates	3,000		
Insurance 800			
General Expenses	3,100		
Wages	25,000		
Machinery	31,000		
Sundry debtors	20,000		
Cash at Bank	3,000		
Drawings	7,000		

Adjustments:

1. Salaries for the month of December still unpaid Rs.1,600
2. Insurance prepaid to the extent of Rs.250
3. Depreciate Machinery by 10%
4. Closing stock valued at Rs.26,000

Short essay: (10)

2. Mentions the steps involved in financial transactions in a hospital. Distinguish between a trial balance and a balance sheet.

Short notes: (4x5 =20)

3. Journal entry
4. Profit and loss accounts
5. Imprest systems
6. Petty cash book

Essay:

1. A product passes through three distant processes to completion. These processes are numbered respectively 1,2 and 3. During the week ended 15th January 2002, 500 units are produced. The following information is obtained:

	Process1 Rs.	Process2 Rs.	Process3 Rs.
DirectMaterials	3,500	1,600	1,500
DirectLabour	2,500	2,000	2,500

The overhead expenses for the period were Rs.1,400 apportioned to the processes on the basis of wages.

No work-in-progress or process stocks existed at the beginning or at the end of the week. Prepare Process Accounts.

Short essay:**(10)**

2. Define the term 'Standard costing'. What are the various concepts of standard costs. Describe advantages and limitations of standard costing.

Short notes:**(4x5=20)**

3. Major bonus plans
4. Explain budgetary control"
5. Hospital cost centers
6. JIT