



**MAULANA ABUL KALAM AZAD UNIVERSITY OF
TECHNOLOGY, WEST BENGAL**

Paper Code : BBA-301

MANAGEMENT AND ACCOUNTING

Time Allotted : 3 Hours

Full Marks : 70

The figures in the margin indicate full marks.

Candidates are required to give their answers in their own words as far as practicable.

GROUP - A

(Multiple Choice Type Questions)

1. Choose the correct alternatives for any *ten* of the following : 10 × 1 = 10
- i) The formula of EPS is
 - a) Total Cost / Expenses per share
 - b) Total Earnings / No. of shares
 - c) Total Cost / No. of shares
 - d) Gross Profit / No. of shares.
 - ii) The components of total factory cost are
 - a) Direct material + Direct labour
 - b) Prime cost + FOH
 - c) Prime cost only
 - d) All of these.

- iii) EOQ provides the optimum level at which
 - a) Labour cost is minimum
 - b) Sales is maximum
 - c) Material cost is minimum
 - d) Profit is maximum.
- iv) The economic life of an enterprise is artificially split into periodic intervals in accordance with
 - a) going concern concept
 - b) dual aspect concept
 - c) conservation concept
 - d) consistency concept.
- v) Revenue is considered as being earned when
 - a) cash is received b) production is done
 - c) sales is affected d) profit is affected.
- vi) Indirect labour cost is an example of
 - a) Prime cost
 - b) Fixed cost
 - c) Factory overhead
 - d) Administrative overhead.
- vii) Sales is equal to
 - a) Cost of goods sold + Profit
 - b) Cost of goods sold – Profit
 - c) Gross profit – Cost of goods sold
 - d) None of these.

- viii) Goods returned by the customers should be debited to
- a) Advertisement A/c
 - b) Sales A/c
 - c) Purchase A/c
 - d) Salaries A/c.
- ix) The father of management is
- a) Henry Fayol
 - b) F. W. Taylor
 - c) P. F. Drucker
 - d) G. R. Teny.
- x) When prices are rising, the method is best suited, is
- a) LIFO
 - b) FIFO
 - c) Base stock method
 - d) Average stock method.
- xi) Margin of safety is equal to
- a) profit divided by P/V ratio
 - b) profit divided by P/V ratio and multiplied by 100
 - c) margin of safety multiplied by P/V ratio
 - d) P/V divided by profit.

GROUP - B

(Short Answer Type Questions)

Answer any *three* of the following. $3 \times 5 = 15$

2. Find the EOQ from the following data :

Actual consumption	18000 units p.a.
Re-ordering period	4-6 weeks
Cost per unit	Rs. 1.50
Cost for placing order and processing delivery	Rs. 12 per week
Normal consumption	250 units per week
Inventory carrying cost	20% of unit value.

3. Explain briefly the basic steps involved in 'Planning'.
4. Find the value of Current Assets and Current Liabilities, if Current ratio = 4.5, Working Capital = Rs. 7,00,000.
5. The budget for the month ending on 31st December, 2017 is 32,000 units.

The cost per unit is expected to be as follows :

<i>Particulars</i>	<i>Cost per unit (Rs.)</i>
Materials	6
Labour	4
Overheads	2

Fixed costs are expected to be Rs. 2,40,000.

Calculate Break-even point (both units & sales).

6. Calculate the total earnings of a worker & the effectively rate of labour wages per hour where payment of bonus is under (a) the Hasley (50%) scheme and (b) the Rowan scheme from the below mentioned particulars :

Basic wage rate per hour — Rs. 10.80, Time allowed for the job — 48 hours, Actual time taken — 36 hours.

GROUP – C

(Long Answer Type Questions)

Answer any *three* of the following. $3 \times 15 = 45$

7. a) What do you mean by financial management ?
- b) What is the relationship between financial management and economics ?
- c) What are the sources of long-term finance ?

3 + 5 + 7

8. Prepare Trading, Profit and Loss Account and Balance Sheet from the following Trial Balance as on March 31, 2017 :

	Debit (Rs.)	Credit (Rs.)
Drawings	1,420	—
Machinery	1,900	—
Capital Account	—	8,500
Purchases	20,724	—
Opening Stock	2,920	—
Sales	—	23,812
Returns outwards	—	582
Returns inwards	420	—
Sundry expenses	880	—
Apprentice premium received	—	240
Rent given	240	—
Rates and taxes given	400	—
Bad debts	344	—
Sundry debtors	6,400	—
Cash in hand	96	—
Bills receivable	480	—
Bank overdraft	—	400
Sundry creditors	—	2,000
Provision for doubtful debts	—	210
Bills payable	—	360
Discount received	—	120

Adjustments :

- Closing stock Rs. 3,400.
- Provide for doubtful debts at 5% on Sundry debtors.

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- c) Rent due Rs. 80.
- d) Taxes of Rs. 160 were paid in advance.
- e) Depreciate machinery at 10% per annum.
- f) Apprentice premium of Rs. 40 was received in advance.
- g) Charge interest on capital @ 5%.

9. Zurika Marbles Pvt. Ltd. is manufacturing the product *M* and the following information has been obtained from the records for the year ending 31. 12. 2014 :

Particulars	1. 1. 2014	31. 12. 2014
Raw materials (Rs.)	40,000	44,280
Finished products (Units)	2,000	4,000
Work in Progress (Rs.)	9,600	32,000

Items	Rs.	Items	Rs.
Purchase of Raw material	2,40,000	Direct Wages	2,00,000
Indirect material	12,000	Carriage Inward	2,880
Works Manager's salary	16,000	Printing & Stationary	4,000
Indirect Wages	2,000	Office Salary	24,000
Research Cost	10,000	Counting House Salary	10% of wages
Employees State Insurance	1% of prime cost	Sales	6,00,000
Other Factory Expenses	22,000	Advertisement & Selling cost	Re.1/unit

Total units produced is 32,000.

Prepare a statement to show the cost and profit unit of product *M*.

10. You head an international software development company. What are the possible problems you may identify in expanding your business in Africa in the following areas :

- a) Communication with customers
- b) Problems in the domain of Human resource
- c) Problems in the domain of finance.

11. Write short notes on any *three* of the following : 3 × 5

- a) Types of planning
 - b) Allocation *vs* Apportionment
 - c) VED Analysis
 - d) Unity of command
 - e) Perpetual Inventory System.
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