Indian Maritime University

(A Central University, Govt of India)

End Semester Examinations – December 2025

Programme Name: MBA (ITL/PSM)

Semester: I

Subject Code: PG22/21T4102

Subject Name: ACCOUNTING FOR MANAGERS

Date: 08.12.2025	Max Marks: 60
Duration: 03 Hrs	Pass Marks: 30

General Instructions

(i) All Sections (A, B & C) are to be attempted.
(ii) Options, if any, are specified in respective section.

Section A

Choose the correct answer as applicable. (10 x 1 Mark= 10 Marks)

1. The financial position of a business can be ascertained from its -
   a) Balance Sheet
   b) Profit and Loss Account
   c) Cash flow Statement
   d) Fund flow statement.
2. Bad debt means -
   a) A debt that has been waived by the creditor
   b) A debt that has become uncollectible from the debtor
   c) A debt that has not become due for collection
   d) A debt that has become due for collection.
3. Gross Profit of a trading firm=
   a) Total Income-Total Expense
   b) Sales- Cost of Goods Sold
   c) Sales- All Expenses
   d) None of the above.
4. Which of the following is not a current asset?
   a) Inventory
   b) Marketable Securities
   c) Cash and Bank Balance
   d) Furniture and Fixtures.
5. Which one of the following expenses does not appear in the trading account?
   a) Wages paid to workers
   b) Carriage inwards
   c) Carriage outwards
   d) Purchases.
6. Operating costing means the cost of -
   a) Producing and maintaining a service

b) An operation
c) Manufacturing a product
d) Marginal cost.

7. Which one of the following is not an objective of Management Accounting?
   a) Planning
   b) Decision making
   c) Budgeting
   d) None of the above.
8. At break-even point-
   a) Sales = Variable Cost + Fixed cost
   b) Sales= Fixed cost - Variable cost
   c) Sales= Variable cost - Fixed cost
   d) Sales= sunk cost-Fixed cost.
9. Variable cost per unit of production -
   (a) Varies with the level of production
   (b) Remains fixed irrespective of the level of production
   (c) Varies initially during the production process
   (d) None of the above.
10. The Sales budget is prepared considering-
   a) Past sales and current trends;
   b) Plant capacity
   c) Availability of inputs
   d) All the above.

Section B

Answer all questions. (5 x 2 Mark= 10 Marks)

11. Distinguish between 'journalising' and 'ledger posting.'
12. Differentiate between 'Gross Profit' and 'Net Profit.'
13. What is 'CVP Analysis?'
14. State the classification of costs by functions.
15. What is 'marginal costing?'

Section C

Answer any **FIVE** questions. (5 x 8 Marks= 40 Marks)

16. Discuss the various accounting concepts and conventions in detail.

17. (a) What is 'Operating Costing?'

    (b) Explain the classification of costs under 'operating costing.'

(3+5 marks)

18. (a) What is 'Break-even Analysis?' Explain the concept with an example.
    (b) Elucidate the concept of 'Margin of Safety.'

(5+ 3 marks)

19. (a) Explain different types of budgets.
    (b) Distinguish between 'Fixed Budget' and 'Flexible Budget.'

(5+3 marks)

20. From the following Trial Balance of M/S Raj &Co, prepare Trading and Profit and Loss account and Balance Sheet for FY 2024-25.

M/S Raj &Co -Trial Balance as on 31-03-2025

Particulars	Dr (₹)	Particulars	Cr(₹)
Purchases	75000	Capital	80000
Return Inwards	5000	Sales	155000
Stock (1-04-2024)	10000	Discount received	3000
Salaries	12000	Sundry Creditors	25000
Wages	9000	Bills Payable	12000
Rent	12000		
Sundry Debtors	30000		
Cash in hand and bank	15000		
Trade expenses	11000		
Insurance premium	6000		
Fixed Assets (Furniture- Rs30000 and Machinery-Rs60000)	90000		
Total	275000	Total	275000

The following adjustments may be made for preparation of the final accounts.

(i)Closing stock -₹15000;

(ii)Insurance prepaid - ₹1500

(iii)Make provision for bad debts at 5 % on debtors;

(iv)Depreciate machinery @5% and Furniture @10%.

21. A truck starts with load of 20 tonnes of goods from Station A. It unloads 8 tonnes in Station B and the balance goods are unloaded in Station C. On return trip, it reaches Station A directly with load of 16 tonnes loaded at Station C. The distance between A to B, B to C and C to A are 80 kms, 120m kms and 160 kms respectively. Calculate- (a) Absolute tonne-km and (b) Commercial tonne-km. (4+4 marks)

22. P Ltd is presently working at 50% production capacity. It plans to increase the production capacity substantially. The following cost details of the company at its present working condition are available. You are required to prepare a flexible budget at 80% and 100% of the production capacity

- Present volume of production (at 50% capacity) – 5000 units;
- Raw material cost- ₹80 per unit;
- Direct labour cost- ₹50 per unit;
- Direct expenses- ₹15 per unit.
- Factory overhead expenses- ₹50000 (50% fixed);
- Administrative overhead expenses-₹60000 (40% fixed).
