

IMBA in ITF (NEP) Sem.-1 Examination

MDC-ITF-114T

Accounting for Managers - I

Time : 2-00 Hours]

February-2025

[Max. Marks : 50

Instructions:

- Figures to the right indicate Full Marks.
- Do not write anything on the question paper.
- Simple calculator is allowed.

Q.1	Define accounting as an information system and explain its key characteristics.	10																								
Q.2	<p>What are the rules of debit and credit? Explain with examples of various types of accounts.</p> <p style="text-align: center;">OR</p> <p>Mr. GROOM runs a factory which produces soaps. Following details were available in respect of his manufacturing activities for the year ended on 31.3.2022:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">₹</th> </tr> </thead> <tbody> <tr> <td>Opening Work-in-Process (10,000 units)</td> <td style="text-align: right;">16,000</td> </tr> <tr> <td>Closing Work-in-Process (12,000 units)</td> <td style="text-align: right;">20,000</td> </tr> <tr> <td>Opening inventory of Raw Materials</td> <td style="text-align: right;">1,70,000</td> </tr> <tr> <td>Closing inventory of Raw Materials</td> <td style="text-align: right;">1,90,000</td> </tr> <tr> <td>Purchases</td> <td style="text-align: right;">8,20,000</td> </tr> <tr> <td>Hire charges of machine @ ₹ 0.60 per unit manufactured</td> <td></td> </tr> <tr> <td>Hire charges of factory</td> <td style="text-align: right;">2,20,000</td> </tr> <tr> <td>Direct wages- Contracted @ ₹ 0.80 per unit manufactured and @ ₹ 0.40 per unit of</td> <td></td> </tr> <tr> <td>Closing W.I.P</td> <td></td> </tr> <tr> <td>Repairs and Maintenance</td> <td style="text-align: right;">1,80,000</td> </tr> <tr> <td>Units produced- 5,00,000 units</td> <td></td> </tr> </tbody> </table> <p>Required Prepare a Manufacturing Account of Mr. GROOM for the year ended 31.3.2022.</p>		₹	Opening Work-in-Process (10,000 units)	16,000	Closing Work-in-Process (12,000 units)	20,000	Opening inventory of Raw Materials	1,70,000	Closing inventory of Raw Materials	1,90,000	Purchases	8,20,000	Hire charges of machine @ ₹ 0.60 per unit manufactured		Hire charges of factory	2,20,000	Direct wages- Contracted @ ₹ 0.80 per unit manufactured and @ ₹ 0.40 per unit of		Closing W.I.P		Repairs and Maintenance	1,80,000	Units produced- 5,00,000 units		10
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(P.T.O)

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Q.3	A) Differentiate between current assets and non-current assets B) Define depreciation and distinguish it from amortization. OR A) Differentiate between tangible and non-tangible assets. B) Explain the principles of accounting.	5 5 5 5
Q.4	What are the different methods of charging depreciation? Explain the straight-line and written-down value methods in detail. OR A machine has the following details as of 31 March 2024: • Carrying Amount: ₹5,00,000 • Fair Value Less Costs of Disposal: ₹4,50,000 • Value in Use: ₹4,75,000 Required: Calculate if the machine is impaired and determine the impairment loss and prepare journal entry of this loss.	10 10
Q.5	A company purchased a vehicle for ₹80,000 on 1st April 2020. The vehicle has an estimated residual value of ₹10,000 and a depreciation rate of 25% under the Written Down Value Method. Calculate the depreciation and prepare a table showing opening balance, depreciation and closing balance for 5 years	10