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MASTER OF BUSINESS ADMINISTRATION (M.B.A.)
EXAMINATION: MAY - 2025
SEMESTER - I

Sub.: Introduction to Management Accounting (MBA103/MBA24-103)

Date : 27/05/2025

Total Marks : 60

Time: 2.00pm to 4.30pm

- Instructions:** 1) All questions are compulsory.
 2) Figures to the right indicate full marks.

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- Q. 1. Write Short notes on (Any Three) (15)**
1. Management Accounting as a decision-making tool
 2. Recording of Credit Transactions
 3. Accounting treatment for Reserve for Bad and Doubtful Debtors
 4. Types of Discounts and their Accounting Treatments
 5. Preparation of Final Accounts
- Q. 2. Answer in detail (Any One) (10)**
1. Draft a simplified accounting policy note for a company's financial report, incorporating at least three key Accounting Standards relevant to its operations.
 2. Explain how the following entries reflect the principles of double entry.
 - a) Additional capital introduced in business ₹ 9,00,000,
 - b) Raw material purchased of ₹ 2,00,000 on credit from Kisan Traders.
 - c) Salaries paid ₹ 5,00,000
 - d) Sold goods for ₹ 10,000 cash and ₹ 1,50,000 on credit.
 - e) Income Tax refund was credited by Income Tax Department ₹ 1,20,000 in Bank of Maharashtra.
- Q. 3. Answer in detail (Any One) (10)**
1. Design a simple format of a Purchase Book and Ledger and record sample transactions of a trader for one week.
 2. Raghav Kapoor is a trader dealing in furniture and decor items. Record the journal entries for the following transactions for the month of March 2025:
 Transactions:
 1. Started business with cash ₹1,50,000
 2. Purchased goods from M/s Shree Traders on credit ₹60,000
 3. Deposited ₹90,000 into bank
 4. Purchased computers for office use from Vision Systems on credit ₹65,000
 5. Withdrew ₹12,000 from bank for office expenses
 6. Withdrew ₹7,500 from bank for personal use
 7. Gifted chairs worth ₹6,000 to a charitable trust
 8. Sofa sets taken by Raghav for his personal use ₹18,000
 9. Distributed center tables as free samples worth ₹6,500
 10. Used a showcase (goods) worth ₹1,200 for showroom interior

Q. 4. Answer in detail (Any One)**(10)**

1. The following balances were extracted from the books of M/s Bright Vision Pvt. Ltd. as on 31st March 2025. Prepare a Trial Balance:

Particulars	Amount (₹)	Particulars	Amount (₹)
Cash in hand	18,000	Advertising expense	28,000
Bank balance	1,20,000	Telephone charges	6,000
Raw materials	1,30,000	Prepaid insurance	8,000
Sales revenue	4,50,000	Accounts receivable	1,10,000
Electricity bill	22,000	Stationery	4,500
Repairs	17,000	Accounts payable	90,000
Machinery	2,75,000	Capital	6,50,000
Land	4,00,000	Outstanding salaries	20,000
Office rent	36,000	Bank loan	1,50,000
Travel expenses	14,000	Interest received	10,000

2. Analyze the consequences of not following the dual aspect concept in financial accounting.

- Q. 5.** Rajveer Arora, a sole trader from Aurangabad, has provided the following Trial Balance as on 31st March 2025. You are required to prepare the Trading Account, Profit & Loss Account, and Balance Sheet after considering the necessary adjustments. **(15)**

Trial Balance of M/s Arora Traders as on 31st March 2025

Particulars	Debit (₹)	Credit (₹)
Capital	—	2,50,000
Drawings	20,000	—
Sales	—	4,80,000
Purchases	3,00,000	—
Opening Stock	50,000	—
Carriage Inward	8,000	—
Machinery	1,20,000	—
Buildings	2,00,000	—
Wages	25,000	—
Rent and Taxes	15,000	—
Insurance	4,800	—
Sundry Debtors	80,000	—
Sundry Creditors	—	60,000
Salaries	40,000	—
Commission Received	—	8,000
Cash in Hand	10,000	—
Cash at Bank	25,000	—
Loan		99,800

Adjustments:

1. Closing stock on 31st March 2025 was ₹ 55,000
2. Outstanding Wages ₹2,000 and Rent ₹ 1,500.
3. Insurance was paid up to 30th November 2025
4. Depreciate Machinery at 10% and Buildings at 5% p.a.
5. Create R.D.D. at 5% on Sundry Debtors