

INDIRA UNIVERSITY, Pune

SCHOOL OF PHARMACY- MBA (PHM)

Term End Examination (2025 Pattern) December – 2025 - Semester – I

Subject Name: Accounting for Business Decisions
Subject Code: GC01-101

Max. Marks: 25
Time: 1:30 Hours

Instructions

- All questions are compulsory
- Use of simple calculator are allowed
- Prepare working notes to support your answers, wherever necessary

CO #	Cognitive Ability	Course Outcome
CO3	Apply	Apply Accounting Principles and concepts to a given business situation
CO4	Analyse	Analyze the cost statement for given scenario.
CO5	Evaluate	Evaluate the cost information for managerial decision making.

Q1.	Attempt the following: (5 Marks) Five years ago, a company spent ₹50,00,000 to purchase land. The current market value is ₹80,00,000. The land remains valued at ₹50,00,000 on the company's balance sheet. Question - Identify the accounting principle used and explain its significance	CO3
Q2.	Solve any 1 out of 2 Questions: (10 Marks)	
A)	The following figures are extracted from the books of XYZ Ltd for the year ended on 31.03.2025. Create a cost sheet showing: (a) Prime Cost (b) Works Cost (c) Cost of Production (d) Cost of Sales and (e) Profit Direct Materials 70,000 - Factory Rent & Rates 50,000 - Depreciation of Office Assets 100 - General Factory Expenses 5,700 - General Selling Expenses 1,000 - Office Salaries 4,500 - Advertisements 2,000 -	CO4

	Direct Wages - 75,000 Office Rent & Rates - 500 Depreciation of Machines - 1,500 General Office Expenses - 1,000 Sales - 2,00,000 <p style="text-align: center;">OR</p>	
B)	The following details of XYZ Ltd. are available Stock of Materials: Opening - 1,88,000 Closing - 2,00,000 Materials Purchased during the year - 8,32,000 Direct Wages Paid - 2,38,400 Salaries to Administrative Staff - 40,000 Travelling Expenses - 12,400 Salesman Salary and Commission - 33,600 Depreciation: Plant & Machinery - 28,400 Furniture - 2,400 Electricity Charges of Factory - 48,000 You are required to calculate (a) Prime Cost (b) Works Cost (c) Cost of Production (d) Cost of Sales.	CO4
Q3.	Solve any 1 out of 2 Questions: (10 Marks)	
A)	From the following information Given sales Rs. 2, 00,000 Profits Rs. 20,000 Variable cost is 70% of sales. Find Out i) P/V Ratio ii) Fixed Cost iii) Sales value to earn a profit of Rs. 80,000. <p style="text-align: center;">OR</p>	CO5
B)	From the following information, find out the breakeven point in units and in sales value. Output 5000 Units Selling Price per unit – Rs. 100 Variable cost – Rs. 75 Total Fixed Cost – Rs. 25,000	CO5
