



# MANIPAL INSTITUTE OF TECHNOLOGY

MANIPAL

(A constituent unit of MAHE, Manipal)

## VII SEMESTER B.TECH. (PRINT AND MEDIA TECHNOLOGY)

END SEMESTER EXAMINATIONS, JAN-FEB 2021

**SUBJECT: MEDIA ACCOUNTING AND MANAGEMENT [PMT 4011]**

**REVISED CREDIT SYSTEM**

**(03/02/2021)**

Time: 3 Hours

MAX. MARKS: 50

### Instructions to Candidates:

- ❖ Answer **ALL** the questions.
- ❖ Missing data may be suitably assumed.

**1A.** Why it is required to know the Management structure, Financial statement and operations of a company? Explain.

**[ 02 MARKS ]**

**1B.** What is the process between analyzing to reporting in accounting? Explain

**[ 03 MARKS ]**

**1C.** Complete the Balance Sheet using following information:

Additional Information:

(i) Ratio of Long Term to Net Worth	1:2
(ii) Total Assets Turn-Over	2 times
(iii) Avg Collection Period	36 days
(iv) Inventory Turn Over	10 times
(v) Gross Profit Margin	10 % on cost of goods sold
(vi) Acid-Test Ratio	1:1
(vii) Credit Sales	50 %

(Assume 300 days a year)

Balance Sheet 2019			
Liabilities	Amount	Assets	Amount
Share Capital		Machinery	
General Reserve		Stock	
Long term loan		Debtor	
Creditor		Cash in Bank	

**[ 05 MARKS ]**

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**2A.** Mr. Joy want to print a brochure of 8 pages in one form. The job work is an information brochure, with bleed design in the background. The printer is having only one size sheet of 25 inches x 35 inches. Hence Mr. Joy has to decide on the job size of the brochure, considering all the allowances. Which will be the most appropriate job size for the above case?

**[ 02 MARKS ]**

**2B.** M/s Digi Sound is a 60-year-old media company known for Graphic Communications. Initially the company was operating locally and in due course of time, the company started competing globally. The Head office of the firm was in Delhi and initially it started with 10 employees. But today thousands of employees are working all round the globe. The accounting data of the firm had to serve the needs of the stake holders across the globe. During the initial days, the company was managing the operations through the financial statement. However, since the firm started global operations, providing financial information for government agencies and tax authorities was a big challenge. This created the requirement for more cost data. For the above case, which type of accounting is recommended? And Why? Explain.

**[ 03 MARKS ]**

**2C.** M/s Digi press was a well-known printing company in Digital printing. However due to the global financial crises the company started to slow down its business. The business slow down significantly affected the entire operation of the firm and as a result finance became a big constrain for running the business. To avoid the further damage to the business, the management came up with a solution of shop-floor-review to motivate the employees.

Following printing operation information pertains to M/s Digi Press.

Heads of Account	Amount (Rs.)
Capital	2,00,000
Inventory as on 1/4/2018	3,00,000
Debtors	33,900
Purchases	4,00,000
Return inwards	10,000
Discount gained	10,000
Bills outstanding	40,000
Wages	10,000
Sales	6,00,000
Return outwards	10,000

Heads of Account	Amount (Rs.)
Commission obtained	10,000
Insurance paid	5,000
Withdrawals	5000
Maintenance kit	30000
Plant	50,000
Insurance Premium	600
Trade Expenses	5,500
Cash	10,000
Salaries	10,000

Adjustment entry:

- I. Inventory on 31.3.2019. – 70,000.
- II. Depreciation of plant 15% and maintenance kit 10%.
- III. Provision for following outstanding:
  - Wages – 5000
  - Trade Expenses – 2000
  - Salaries - 2000

For the above case, considering all the given data of printing operation, prepare a financial statement, to discuss with the employees.

**[ 05 MARKS ]**

- 3A.** Mr. James want to bind 1,00,000 books of a4 size, with only two stitches on each book. The book binder informs him the only material available is wire of 22 gauge, 935 ft./kg and each stich requires 3cm securing material. Give the estimation of securing material for the above case.

**[ 02 MARKS ]**

- 3B.** M/s TATA started a packaging operation as a process of backward integration to its manufacturing units. The packaging operations comprised of a state-of-art pre-press technology, press, post-press, quality, production, management, maintenance, marketing and customer support department. At present, the big issue with the firm was to facilitate charging of costs to cost units. As a manager how you will solve the above problem?

**[ 03 MARKS ]**

- 3C.** Journalize the following transaction and prepare one ledger account for the account having the highest number of transactions in the Journal.

Date	Transaction Details	Amount
1/1/20	Amount introduced to business	5,00,000
2/1/20	Rent Paid	1000
2/1/20	Commission	500
3/1/20	Tax paid	500
4/1/20	Insurance premium	2000
5/1/20	Depreciation	1000
6/1/20	Refreshments	500
6/1/20	Purchase of Machine from M/s Bell	30000
7/1/20	Cash Purchase of Machine from M/s Bell	20000
8/1/20	Withdrawal for personal use	1000

**[ 05 MARKS ]**

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**4A.** M/s Bharath Press recently started their business a couple of months back. Now the company wants to make a review of its business with the financial data. The company is interested to know the following:

- Status of wages and expenses
- Information about Overhead cost
- Loss / Profit / Deficit etc

Which financial report will give the above information? Give the format of the same.

**[ 02 MARKS ]**

**4B.** M/s Janatha Printers, a very well established media firm, had huge impact on financial due to COVID 19. The employees were demotivated due to no recognitions, rewards, working conditions and salary. The relationship between the management and employees was also not good. The new staff joined had no much idea about the production and hence the entire operation of the firm was affected.

Now as a management what would be your plan to come out of the above scenario?

**[ 03 MARKS ]**

**4C.** Following information pertains to a Digital Studio involved in media production.

Production cost rate per audio	: Rs. 8,000.00	Number of audio program	: 6
Production cost rate per video	: Rs. 65,899.00	Number of video program	: 5
Type setting and designing	: Rs. 3,00,000.00	Interest rate	: 8 %
Print material cost	: Rs. 2,00,000.00	Period	: 8 years

Compute the total fixed cost and annual fixed cost

**[ 05 MARKS ]**

**5A.** M/s Magenta printer shut down its business due to COVID-19 and did the layoff of the employees. In January 2021, the firm re-started its operations. However, the operations, post COVID 19 were really challenging for the firm because of the following reasons:

- Entire workforce was new
- The entire workforce had same qualification
- The entire workforce had same skill sets
- Production bottleneck
- In-efficiency in the system due to repeat work of employees

As a manager how would you plan the workforce to avoid the production bottleneck and in-efficiency, in the above case?

**[ 02 MARKS ]**

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**5B.** Mr. Rai wants to print a job of multicolor poster in offset printing, which is also having extra text matter. The printer informed Mr. Rai, the job will cost more due to extra consumption of important consumables for process color printing. Hence Mr. Rai asked for the breakup / estimation of the cost, considering the important consumables for the printing of 5000 posters of 38 x 50 cm size. Give the cost breakup or estimation for the above case, considering all the elements.

**[ 03 MARKS ]**

**5C.** M/s Omega Printing Co., started its operations recently. Departments A, B and C are production cost centers and D is a service center. The company was doing its first monthly financial analysis with the following data.

Building tax	2,000	Administration	3,000
Machine Repair	1,200	Insurance	1,000
Depreciation	900	Employee's welfare	300
Lighting	200	Air- conditioning	1,800

The big challenge for the manager was to find the cost of each department, Along with the below additional information.

Base	Department (A)	Department (B)	Department (C)	Department (D)
Area in sq. ft	150	110	90	50
Number of workers	24	16	12	8
Total wages	8,000	6,000	4,000	2,000
Value of plant	24,000	18,000	12,000	6,000
Value of stock	15,000	9,000	6,000	Nil

**[ 05 MARKS ]**