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14MBA13

First Semester MBA Degree Examination, June/July 2018

Accounting for Managers

Time: 3 hrs.

Max. Marks:100

SECTION - A

Note : Answer any FOUR questions from Q.No.1 to Q.No.7.

- 1 What is window dressing? (03 Marks)
- 2 What are the braches of accounting? (03 Marks)
- 3 What is contra entry? (03 Marks)
- 4 What is HRA? (03 Marks)
- 5 What is Forensic Accounting? (03 Marks)
- 6 What is Trend Analysis? (03 Marks)
- 7 What is Depreciation? (03 Marks)

SECTION - B

Note : Answer any FOUR questions from Q.No.1 to Q.No.7.

- 1 Miss Spoorti had the following transactions :
Use accounting equation to show their effects on her assets, liabilities and capital (07 Marks)

	Rs.
Started business with cash	5,000
Purchased goods on credit	400
Purchased goods for cash	100
Purchase Furniture	50
Withdraw for personal use	70
Paid rent	20
Received interest	10
- 2 Journalize the following transactions in the books of Mr. Vivek. (07 Marks)
 - i) Started business with the following :
Cash in hand Rs. 1500, Cash at Bank Rs. 3500, Goods in hand Rs. 3000, Furniture Rs. 2000, Buildings Rs. 10,000.
 - ii) Gave charity Rs. 20
 - iii) Loan taken from the bank Rs. 5000
 - iv) Purchased a motor car in exchange for goods Rs. 2000 and cheque Rs. 3000.
 - v) Paid proprietor's life insurance premium Rs. 100.
 - vi) Bought goods from Mr. Shashank on account Rs. 2000.
 - vii) Furniture costing Rs. 300 was destroyed by fire Rs. 10.
- 3 Explain in brief, what are the uses of Ratio analysis? (07 Marks)
- 4 What are the importances of analysis of financial statements? (07 Marks)

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Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and/or equations written eg, 42+8=50, will be treated as malpractice.

- 5 Prepare a trading a/c of Mr. Santosh for the user year ending 31st March 2012 from the following particulars
- | | | | |
|------------------------------|--------------|-------------------------|--|
| Stock of goods on 01-04-2011 | Rs. 3,50,000 | | |
| Stock of goods on 31-3-2012 | Rs. 4,00,000 | | |
| Purchases Rs. 4,50,000. | | Sales Rs. 6,00,000. | |
| Purchase returns Rs. 70,000. | | Sales return Rs. 90,000 | |
| Carriage inward Rs. 10,000. | | Wages Rs. 5,000 | |
- (07 Marks)

- 6 Miss. Spandana presents to you the following balance sheet as on 31st Dec. 2012.

Liabilities	Amount (Rs.)	Assets	Amounts (Rs.)
Equity	10,00,000	Fixed Assets	10,00,000
Reserve Fund	1,00,000	Stock	4,00,000
Debenture	3,00,000	debtors	3,00,000
Over draft	2,00,000	Cash	2,00,000
Creditors	3,00,000		
	19,00,000		19,00,000

Calculate:

- i) Liquid Ratio ii) Solvency Ratio iii) Debt – Equity Ratio iv) Stock working capital ratio.

(07 Marks)

- 7 Write any seven deductions u/s 80C.

(07 Marks)

SECTION - C

Note : Answer any FOUR questions from Q.No.1 to Q.No.7.

- 1 Explain in detail different accounting concepts. (10 Marks)
- 2 On January, 1st 2008, firms purchased second hand machinery for Rs. 40,000 and spent Rs. 10,000. On reconditioning and installing it. On July 1st 2008, the firm purchased new machinery worth Rs. 20,000. On June, 30th 2009, machinery purchased on July 1st 2008, was sold for Rs. 16,000. On July, 1st 2009, fresh plant was installed at a cost of Rs. 30,000. The firm writes of 10% per annum on the diminishing balance. Show the machinery account for three years ending December 31st 2010. (10 Marks)
- 3 Explain in detail objectives of accounting standards. (10 Marks)
- 4 Following is the trial balance as on 31-12-2011 prepared by an incompetent accountant. You are request to rewrite in its correct form.

Particulars	Debits (Rs.)	Credit (Rs.)
Capital	24,000	-
Stock on 1-1-2011	8,500	-
Furniture	2,600	-
Purchases	-	8,950
Cash at Bank	7,300	-
Carriage	300	-
Sales	-	22,000
Buildings	12,000	-
Returns Inwards	-	1,900
Trade Expenses	1,000	-
Return outwards	350	-
Discount Received	970	-
Salary	3,000	-
Office rent	-	2,270

(10 Marks)

- 5 Enter the following transactions in the three column cash book of Mr. Manikant.
 2012 March 1st Cash in hand Rs. 15,000
 3rd Cash sales Rs. 3000
 4th Paid Vivek Rs. 2,370 and discount received Rs. 30.
 March 8th Draw from Bank for office use Rs. 1500
 15th Bought furniture and paid by cheque Rs. 3,500
 20th Received commission Rs. 350
 23rd Purchased from Akshara and payment made by cheque Rs. 4,500
 29th Received from Veeresh Rs. 3,950 in full settlement of debt Rs. 4,000. (10 Marks)
- 6 Explain in detail Heads of Income. (10 Marks)
- 7 You are given the following figures :
- | | |
|--------------------------------------|--------------|
| Current Ratio | 2.5 |
| Liquidity Ratio | 1.5 |
| Net working capital | Rs. 3,00,000 |
| Stock turnover Ratio | 6 times |
| Ratio of gross profit on sales | 20% |
| Turnover ratio of fixed assets (net) | 2 times |
| Average debt collection periods | 2 month |
| Fixed assets to net worth | 0.80 |
| Reserve and surplus to capital | 0.50 |
- Draw up the balance sheet of the concern to which the figures relate. (10 Marks)

SECTION - D
CASE STUDY - [Compulsory]

From the following trial balance of Mrs. Ambika, prepare trading A/c and profits and loss A/c for the year ended 31-3-2010 and the balance sheet as on that date :

Debit Balance	Amount (Rs.)	Credit Balance	Amount (Rs.)
Drawings	1,20,000	Capital	16,24,000
Premises	7,20,000	Bills payable	33,200
Plant and machinery	3,20,000	Creditors	3,20,000
Loose tools	24,000	Purchases Return	21,200
Stock on 1-4-2009	3,20,000	Sales	9,20,000
Purchases	4,08,000		
Furniture	33,600		
Wages	1,60,000		
Carriage inward	8,000		
Depreciation	4,000		
Salaries	40,000		
Rent, Rates and Taxes	22,400		
Repairs	12,000		
Cash at Bank	2,00,000		
Cash in Hand	3,200		
Debtors	3,60,000		
Export Duty	14,400		
Power	60,000		
Bad debts	9,600		
Advertisement	4,000		
Sales Return	16,000		
Gas and water	2,400		
Factory lighting	4,000		
General expenses	6,400		
Trade expenses	2,800		
Printing stationary	3,600		
Coal and coke	40,000		
	29,18,400		29,18,400

Note : Stock on 31-3-2010 was valued at Rs. 4,80,000. (20 Marks)