

Internal Assessment Test - I

Sub:	Accounting For Managers						Code:	16MBA13	
Date:	8.11.17	Duration:	90 mins	Max Marks:	40	Sem:	I	Branch:	MBA

		Marks		OBE																					
		CO	RBT																						
<b>Part A - Answer Any Two Full Questions (16*02=32 Marks)</b>																									
1 (a)	What is Book Keeping?	[02]	CO1	L1																					
(b)	State the advantages and disadvantages of Book-Keeping.	[06]	CO2	L2																					
(c)	Explain the Accounting Concepts.	[08]	CO1	L1																					
2 (a)	What is Cash discount?	[02]	CO2	L5																					
(b)	Analysis the effects of these transactions on the accounting equation.	[06]	CO1	L2																					
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(c)	Journalize the following transactions: 1, April Commenced business with cash Rs 50,000 and Machinery Rs 10,000 April 2, Deposited cash into Bank Rs 20,000 April 4 Purchased goods worth Rs 8000 less cash discount 10% April 7 Purchased goods from Roy sons Rs 5000 less 20% discount. April 10 withdrew from bank for office use Rs 2000 April 13 Sold goods to Ashok for Rs 3000. April 16 Received cash from Ashok Rs 2840 in full settlement.	[08]	CO3	L3																					
3 (a)	What is Journal?	[02]	CO3	L3																					
(b)	Summaries the main objectives of Accounting?	[06]	CO2	L3																					
(c)	From the following ledger balances, prepare Trail balance as on 31 <sup>st</sup> Dec:	[08]	CO1	L3																					
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Furniture	13,000
Telephone charges	1800
Sales	15,500
Advertisement	6,800
Purchases	10,000
Office Equipment	1500
Creditors	34,600
Drawings	1450
Discounts	100
Salaries	1200
Rent	3600
Discount Allowed	50
Commission Earned	300
Sundry debtors	33,400
Interest on Investment	1000

**Part B - Compulsory (01\*08=08 marks)**

4

- (a) Journalize the following transactions and open the ledger account and Trail [08] balance.

Date	Particulars
2012, Jan 1	Govinda Started his business with the following: Cash: Rs 2000, Goods: Rs 1000, Furniture: Rs 5,000
Jan 5	Sold goods to Raghav Rs 500
Jan 5	Sold goods for cash Rs 300
Jan 9	Received from Raghav on account Rs 300
Jan 12	Purchased goods from Mukandan Rs 900
Jan 15	Paid Mukandan Rs 500
Jan 20	Paid interest to Mukandan Rs 10

CO1 L4

CO3 L4

Course Outcomes		PO1	PO2	PO3	PO4	PO5	PO6	PO7	PO8	PO9
CO1:	To explain fundamental accounting concepts and conventions.	1a, 3a, 2a								
CO2:	• To explain and use the accounting equation.	3b	2b, 2c							
CO3:	• To prepare basic journal entries for business transactions and present the data in an accurate manner	4a, 3c								
CO4:	• To present financial statements in vertical and horizontal format.									
CO5:	• To analyze a company's financial statements using various ratios for decision making.									
CO6:	• To understand emerging issues in									

accounting and taxation										
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Cognitive level	KEYWORDS
L1	List, define, tell, describe, identify, show, label, collect, examine, tabulate, quote, name, who, when, where, etc.
L2	summarize, describe, interpret, contrast, predict, associate, distinguish, estimate, differentiate, discuss, extend
L3	Apply, demonstrate, calculate, complete, illustrate, show, solve, examine, modify, relate, change, classify, experiment, discover.
L4	Analyze, separate, order, explain, connect, classify, arrange, divide, compare, select, explain, infer.
L5	Assess, decide, rank, grade, test, measure, recommend, convince, select, judge, explain, discriminate, support, conclude, compare, summarize.

# Accounting for Managers

## IAT-1

### Part A:

1) a) Book-Keeping:- Book keeping is a process of accounting. It is concerned with recording transaction in the books of accounts. That is writing journal entries, entering the same into ledger account, balancing the ledger accounts, Preparing T/B & preparing the final accounts.

2) Accounting Concepts:-

- \* Money Measurement Concepts
- \* Business entity
- \* Going concern concept
- \* Cost concept
- \* Dual concept
- \* Account period concept
- \* Matching concept
- \* Realisation concept
- \* Accrual

2) B) Accounting Equation :-

	Assets	=	Liabilities	+	Capital
March 2012	50000	=		+	50000
2.3.12	50000 + 20000	=	20000	+	50000
3.3.12	(58000) + 58000 + 12000	=	20000	+	50000
4.3.12	12000 + 58000 + 6000	=	6000 + 20000	+	50000
19.4.12	12000 + 12000 + 58000 + 6000	=	26000	+	50000 + 12000
20.4.12	10000 + 12000 + 58000 + 6000	=	24000	+	62000
23.4.12	4800 + 12000 + 58000 + 6000	=	24000	+	<sup>56800</sup> (62000) (4000 + 1200)
31.4.12	4800 + 8000 + 50000 + 6000	=	24000	+	56800
31.4.12	13600 + 8000 + 50000 + 6000	=	24000	+	56800
	85300	=	85300		

## c) Journal

April

1	Cash a/c	dr	50,000	
	Machinery a/c	dr	10,000	
		to capital a/c		60,000

[Being business commenced with cash & capital].

2	Bank a/c	Dr	20,000	
		to cash		20,000.

[Being deposited into bank].

4	Purchase a/c	dr	8000	
		to discount received		800
		to cash		7200.

[Being goods purchased].

7	Purchase a/c	dr	5000	1000
		to discount received		4000.
		to cash		

[Being goods purchased & discount received].



10	Drawing a/c dr	2000	
	to Bank a/c		2000

[Being withdrew cash from bank for personal use].

13.	Ashok a/c dr	3000	
	to Sales a/c		3000

16.	cash a/c dr	2840	
	Discount allowed a/c	160	
	to Ashok		3000

[Being cash received from ashok].

x — x

3)a. Journal:

Journal is a type of book keeping where the day to day transactions are recorded. Journal is a 2 line transaction it consists of debit & credit.

c) Trail Balance as on 31.12.

Particulars	Debit	Credit
Cash in hand	1700	-
Capital		23000
Furniture	13000	-
Telephone charges	1800	-
Sales	-	15500
Advertisement	6800	-
Purchase	10000	-
Office Equipment	1500	-
Creditors	-	34600
Drawings	1450	-
Discount	-	100
Salaries	1200	-
Rent	3600	-
Dis. allowed	50	-
Commission earned	-	300
Debtors	33400	-
Interest on Investment		1000
	<u>74500</u>	<u>74500</u>



A) 2) Journalize the following transaction:-

1.1.12	Cash a/c dr	2000	
	Goods a/c dr	1000	
	Furniture a/c dr	5000	
			8000

To capital a/c

[Being business started with cash, Goods, furniture].

5.	Raghar a/c dr	500	
	To sales a/c		500

[Being sold goods to raghar].

5.	cash a/c dr	300	
	To sales a/c		300

[Being sold goods for cash].

9.	cash a/c dr	300	
	To Raghar a/c		300

[Being cash received from raghar].

12.	Purchase a/c dr	900	
	To Mukandan a/c		900

[Being purchased goods from mukandan].

15. Mukandan a/c dr 500  
 To cash a/c 500  
 [Being paid cash to mukandan].

20. Interest a/c dr 10  
 To Mukandan a/c 10  
 [Being paid mukandan interest].

Particulars	Trail Balance.	
	Debit	Credit
	2090	
cash		
Goods	1000	
	5000	
furniture		8000
Capital		
	200	
Raghar		800
Salus		
	900	
purchase		400
Mukandan		
Interest	10	
	<u>9200</u>	<u>9200</u>