

CBCS SCHEME

16/17MBA13

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First Semester MBA Degree Examination, Aug./Sept.2020

Accounting for Managers

Time: 3 hrs.

Max. Marks:80

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

2. Question No. 8 is compulsory.

- 1 a. What do you mean by money measurement concepts? (02 Marks)
b. Distinguish between Journal and Ledger. (06 Marks)
c. Show the accounting equation on the basis of the following transactions :
i) Mahesh commenced business with Rs 30,000.
ii) Purchased goods on credit Rs 10,000.
iii) Withdrew for personal use Rs 1,500.
iv) Purchased goods for cash Rs 2,000.
v) Paid wages Rs 500.
vi) Paid to creditors Rs 1,000.
vii) Sold goods on credit Rs 2,000.
viii) Paid salaries Rs 500.
ix) Paid rent Rs 1,000.
x) Sold goods for cash Rs 2,000. (08 Marks)

- 2 a. What is Cash Book? (02 Marks)
b. Briefly explain any five features and causes of depreciation. (06 Marks)
c. Journalise the following transactions in the books of Mr. Ramesh for the month of January 2017.

Jan. 1.	Commenced business with cash Rs 1,00,000.
Jan. 2.	Purchased furniture for cash Rs 10,000.
Jan. 3.	Purchased goods from Mr. Mahesh worth Rs 15,000 at a trade discount of 10%.
Jan. 4.	Returned goods to Mahesh worth Rs 1,000.
Jan. 5.	Settled the account of Mahesh by paying Rs 12,500.
Jan. 7.	Sold goods to Mr. Umesh for Rs 10,000.
Jan. 8.	Mr. Umesh returned goods worth Rs 2,000.
Jan. 9.	Received from Mr. Umesh Rs 7,900 in full settlement of his account.
Jan. 10.	Received Rs 10,000 from Mr. Hari as advance for the goods ordered by him.
Jan. 11.	Supplied goods to Mr. Hari for the advance received from him.

(08 Marks)

- 3 a. What is Debtors turnover ratio? How is it calculated? (02 Marks)
b. What is Cash Flow statement? What are the advantages of cash flow statement? (06 Marks)
c. Prepare a Trial Balance from the following Ledger Balances as on 31st March 2017.

Particulars	Amount (Rs)
Capital	51,000
Commission received	800
Furniture	4,000
Manufacturing expenses	600
Machinery	12,000
Purchases	26,000
Sales	1,72,000

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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.

Buildings	1,20,000
Opening stock	14,000
Wages	10,000
Factory rent	3,000
Advertisement	50,000
Salaries	10,000
Carriage inwards	800
Discount allowed	800
Discount received	400
Bad and doubtful debts	800
Sundry debtors	45,000
Sundry creditors	91,200
Carriage outwards	1,400
Cash at Bank	12,000
Cash in hand	1,600

(08 Marks)

- 4 a. What are Liquid assets? Give two examples. (02 Marks)
 b. From the following information compute : i) Current ratio ii) Quick ratio
 iii) Absolute liquid ratio.

Stock – 1,00,000
 Creditors – 60,000
 Debtors – 80,000
 Bills payable – 10,000
 Cash in hand – 40,000
 Prepaid expenses – 5,000
 Bills receivable – 45,000

(06 Marks)

- c. Prepare Balance sheet from the following details :

Current ratio – 2.5
 Gross profit ratio – 20%
 Quick ratio – 1.5
 Fixed assets turnover ratio – 2
 Stock turnover ratio – 6
 Average debt collection period – 2 months
 Fixed assets to net worth – 1:1
 Reserves to share capital – 0.5:1
 Net working capital – 3,00,000.

(08 Marks)

- 5 a. What do you mean by Marshalling of Balance Sheet? (02 Marks)
 b. Calculate cash flow from operating activities from the following :

	2015	2016
Profit & Loss Account	1,40,000	2,00,000
Outstanding expenses	2,000	6,000
Prepaid expenses	4,000	8,000
Depreciation	16,000	-
Dividend paid	-	20,000
General expenses	-	15,500

(06 Marks)

- c. Prepare three column Cash Book from the following particulars and Balance the same.

2017 Jan.1.	Balance of cash in hand at 3,000 and at Bank Rs 12,000
Jan.4.	Bought goods for cash Rs 800 and for cheque Rs 2,250.
Jan.6.	Drew cash for office use Rs 2,000
Jan 10.	Paid wages in cash Rs 2,000
Jan 15.	Paid Rajesh Rs 800 by cheque
Jan.18.	Sold goods for Cash Rs 4,000
Jan 22.	Paid into Bank Rs 3,500
Jan.25.	Paid Murthy Rs 1,450 in full settlement of his account for Rs 1,500.
Jan 29.	Received from Gopal a cheque of Rs 950 and allowed him discount of Rs 50.

(08 Marks)

- 6 a. Give the meaning of GAAP. (02 Marks)
 b. Explain the methods of Human Resource Accounting. (06 Marks)
 c. Explain the objectives of IFRS. (08 Marks)
- 7 a. Who is an Assessee? (02 Marks)
 b. What are the deductions covered under Section 80 C? (06 Marks)
 c. Write the heads of income and explain the conditions to be satisfied to the taxed. (08 Marks)
- 8 From the following Trial balance of Mr. Manoj, prepare Trading and Profit and Loss A/c for the year ended 31st March 2017 and a Balance Sheet as on that date :

Particulars	Debit	Credit
Capital	-	20,000
Drawings	5,000	-
Machinery	20,000	-
Furniture	5,000	-
Debtors	16,000	-
Creditors	-	35,000
Insurance	3,000	-
Salaries	5,000	-
Land & Buildings	15,000	-
Opening Stock	7,000	-
Purchases	30,000	-
Sales	-	50,000
Discount received	-	1,000
Rent	2,000	-
Bills payable	-	5,000
Cash in hand	5,000	-
Bank overdraft	-	2,000
	1,13,000	1,13,000

Adjustments :

1. Closing stock Rs 8,000
2. Insurance prepaid Rs 500.
3. Rent outstanding Rs 1,000.
4. Reserve for doubtful debts at 5% on debtors.
5. Depreciate land & building at 10%.

(16 Marks)
