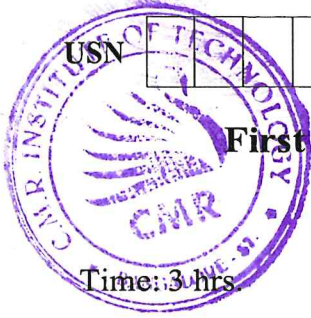


CBCS SCHEME

18MBA13



First Semester MBA Degree Examination, Jan./Feb. 2021

Accounting for Managers

Max. Marks:100

- Note:** 1. Answer any **FOUR** full questions from Q.No.1 to Q.No. 7.
2. Question No. 8 is compulsory.

- 1 a. Define Accounting. (03 Marks)
b. Explain any 7 users of Accounting Information. (07 Marks)
c. Journalize the following transaction for the month of Dec.2011.
Dec. 1 Ajit started business with cash Rs.40,000
Dec. 2 He paid into bank Rs.2000
Dec. 10 He purchased furniture and paid by cheque Rs.5000
Dec. 12 He sold goods to Arvind Rs.4000 on credit.
Dec. 14 He purchased goods from Amrit Rs.10,000 on credit
Dec. 15 He returned goods to Amrit Rs.5000
Dec. 16 He received from Arvind Rs.3960 in full settlement
Dec. 20 He withdraw cash from business for personal use Rs.2000
Dec. 24 He paid telephone charges Rs.1000
Dec. 26 Cash paid to Amrit in full settlement Rs.4900
Dec. 31 Goods distributed by way of free sample of Rs.1000 (10 Marks)
- 2 a. Differentiate Direct tax from Indirect tax. (03 Marks)
b. Mention any seven deductions covered U/S 80C. (07 Marks)
c. X Ltd, bought an machinery for Rs.30,000 on 1.04.06 additional machinery was purchased on 1-10-06 costing Rs.20,000, on 1-07-07 a new machinery of Rs.10,000 was added to the existing machinery. One 1-01-08 1/3rd of machinery which was installed on 1-04-06 was sold for Rs.3000. Show the machinery account in the books of X Ltd. the rate of depreciation is 10% on W.D.V method where the books of accounts ends on 31st December. (10 Marks)
- 3 a. What is trail balance? (03 Marks)
b. What is accounting concept? Explain any six concepts in detail. (07 Marks)
c. Show the accounting equation for the following transactions.
(i) X started business with cash of Rs.90,000
(ii) Purchased goods on credit Rs.50,000
(iii) Purchased furniture for cash Rs.10,000
(iv) Sold goods costing Rs.20,000 for 40,000.
(v) Sold goods costing Rs.20,000 on credit for Rs.42000
(vi) Paid rent Rs.1000
(vii) Paid for salaries Rs.3000
(viii) Paid to creditors Rs.40,000 (10 Marks)

- 4 a. What is cash flow statement? (03 Marks)
 b. What is accounting standard? Explain any four in brief. (07 Marks)
 c. Using following data complete the B/S.

Gross profit (20% sales) = Rs.60,000

Share capital = Rs.50,000

Credit sales to total sales = 80%

Total asset turnover (on sales) = 3 times

Closing stock turnover (on cost of sales) = 8 times

Average collection period (for 360 days) = 18 days

Current ratio = 1.6

Debt to equity = 40%

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Share capital	?	Fixed Asset	?
Long term debt	?	Stock	?
Creditors	?	Debtors	?
		Cash	?
Total	?	Total	?

(10 Marks)

- 5 a. What is forensic accounting? (03 Marks)
 b. Differentiate trail balance from balance sheet. (07 Marks)
 c. Enter the following transaction in a three column cash book of Mr. A. (10 Marks)

2016 May 3 Balance of cash in hand Rs.12,000, cash at bank Rs.10,000

May 5 Bought goods for cash Rs.8000

May 6 Received cash from 'M' Rs.13000 and allowed discount Rs.50

May 8 Paid to 'A' Rs.15,000 and received discount Rs.100

May 10 Withdraw from bank for personal use Rs.3000

May 12 Sold goods for cash Rs.4000

May 15 Paid into bank Rs.6000

May 19 Received cheque from Niraj Rs.16,000 and deposited into the bank same.

May 24 Withdraw from bank for office use Rs.2500

- 6 a. What is window dressing? (03 Marks)
 b. What are the advantages and limitation of ratio analysis? (07 Marks)
 c. From the following B/S of X Ltd prepare cash flow statement. (10 Marks)

Liabilities	2006 (Rs.)	2007 (Rs.)	Assets	2006 (Rs.)	2007 (Rs.)
Equity shares capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
Preference share capital	1,50,000	1,00,000	Land & Building	2,00,000	1,70,000
General Reserves	40,000	70,000	Plant & Machinery	80,000	2,00,000
P/L A/C	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bills Receivable	20,000	30,000
Bills Payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for tax	40,000	50,000	Cash at bank	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

Additional Information:

(i) Depreciation on plant & machinery Rs.10,000 and land & building Rs.20,000.

(ii) An interim dividend of Rs.20,000.

(iii) Rs.35,000 income tax was paid during the year 2007.

- 7 a. What is Debt Equity Ratio? (03 Marks)
 b. Following is the trail balance as on 31/12/18. Prepare by an incompetent accountant. You are required to rewrite in its correct form. (07 Marks)

Particulars	Debit	Credit
Capital	28000	-
Stock of goods	4000	-
Motor car	-	8000
Discount received	400	-
Bad debts	400	-
Sales	-	40000
Cash at bank	-	4000
Cash in hand	4400	-
Purchases	15000	-
Furniture	-	5000
Wages	8200	-
Creditors	6500	-
Salaries	-	2800
Commission (Cr)	-	600
Return outward	-	1000
Debtors	5600	-
General expenses	300	-
Interest received	-	200
Advertisement	-	500
Rent	-	3500
Plant	15000	-
Total	87,800	65,200

- c. What is Human Resources Accounting? Explain its importance in the business organization. (10 Marks)

8 CASE STUDY:

From the following Trail Balance and additional information, prepare final accounts of Mr. Raj for the year 31st March 2014. (20 Marks)

Particulars	Rs.
Drawings	4500
Purchases	20,000
Sales Return	1500
Stock (1-4-2013)	8000
Salaries	4200
Wages	1200
Rent	350
Cash in hand	260
Cash at bank	5,940
Capital	24,000
Sundry creditors	10,000
Trade expenses	300
Printing	150
Furniture	2000
Machinery	5000
Bad debts	400
Discount allowed	700
Sundry debtors	14000
Insurance	400
Sales	30,500
Discounts received	1900
Bills payable	2500

- Adjustments:
 (i) Closing stock Rs.7000.
 (ii) Insurance prepaid Rs.60.
 (iii) Outstanding liabilities:
 Salaries = Rs.200, Wages = Rs.200
 (iv) Make provision for doubtful debts at 5% on debtors.
 (v) Calculate interest on capital at 5% p.a.
 (vi) Depreciation on machinery at 5% and furniture at 10%
 (vii) Reserve for discount on creditors at 1%.

