


CMR INSTITUTE OF TECHNOLOGY		USN									
Internal Assessment Test - I											
Sub:	Accounting for Managers							Code:	22MBA13		
Date:	23.03.2023	Duration:	90 mins	Max Marks:	50	Sem:	I	Branch:	MBA		
Part A - Answer Any Two Full Questions (2*20 = 40 marks)								Marks	OBE		
									CO	RBT	
1 (a)	Show the accounting treatment of trade discount?							[03]	CO1	L3	
(b)	Explain sequential steps in accounting cycle.							[07]	CO1	L2	
(c)	Re-write the following Trial Balance to correct the same. Trial Balance on 31 March 2019										
	Particulars		Amount		Particulars		Amount				
	Wages		2,680		Capital		10,000				
	Purchases		12,490		Sales		31,080				
	Salaries		520		Rent paid		500				
	Carriage		50		Discount received		120				
	Buildings		12,010		Light charges		160				
	Bank O/D		470		Suppliers		800				
	Cash in hand		60		Opening stock		9,260				
	Customers (Debtors)		1,490		Furniture		3,250				
Total		29,770		Total		55,770		[10]	CO1	L5	
2 (a)	What is Annual Concept?							[03]	CO1	L1	
(b)	Examine the utility of financial statements for the different users.							[07]	CO1	L3	
(c)	Journalise the following transactions in the books of Mr. Ramesh for the month of January 2021.										
	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.										
3 (a)	Interpret the accounting cycle?							[03]	CO1	L2	
(b)	Describe IFRS? Illustrate the objectives of IFRS?							[07]	CO1	L3	
(c)	Summarize the different accounting concept and conventions.							[10]	CO1	L5	
Part B - Compulsory (01*10=10 marks)											
4	From the following transactions relating to Mr Akul, show the effect on various assets, liabilities and capital using accounting equation. Also find out values for various assets and liabilities.										
	(i) Started business with cash Rs 1,00,000 and Plant Rs 50,000										
	(ii) Purchased goods on credit Rs. 80,000										
	(iii) Sold goods on credit for Rs 60,000										
	(iv) Received Rs 9,500 from Mr Ramesh in full settlement of his account of Rs 10,000										
	(v) Charged depreciation Rs 20,000										
	(vi) Drew for personal use Rs 15,000										
	(vii) Paid salary Rs. 35,000										
							[10]	CO1	L4		

Scheme of Evaluation

①

IAT - 1

Sub: Accounting for managers.

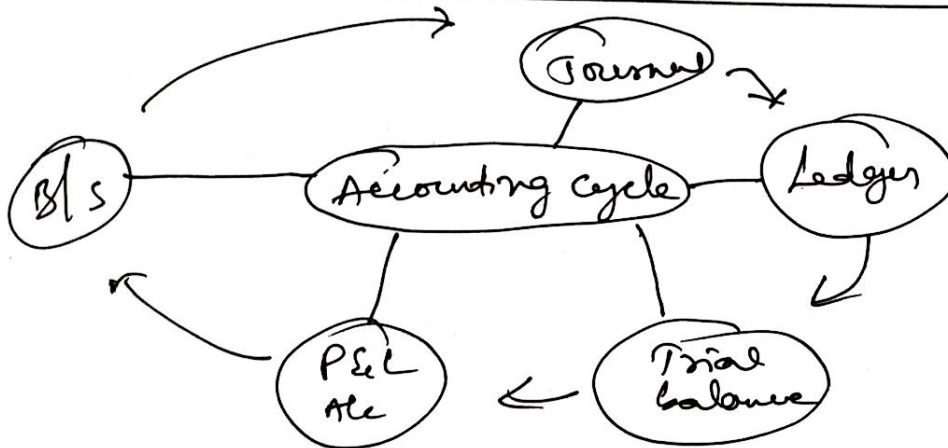
Sub code: 22MBA13

Date: 23/03/2023.

Max marks: 50

01) a) Accounting treatment of trade discount, it is not recorded in the books of accounts, the sale and purchase will be recorded at the amount after trade discount is subtracted.

3M



7M

Students must explain

1/c)

Trial Balance

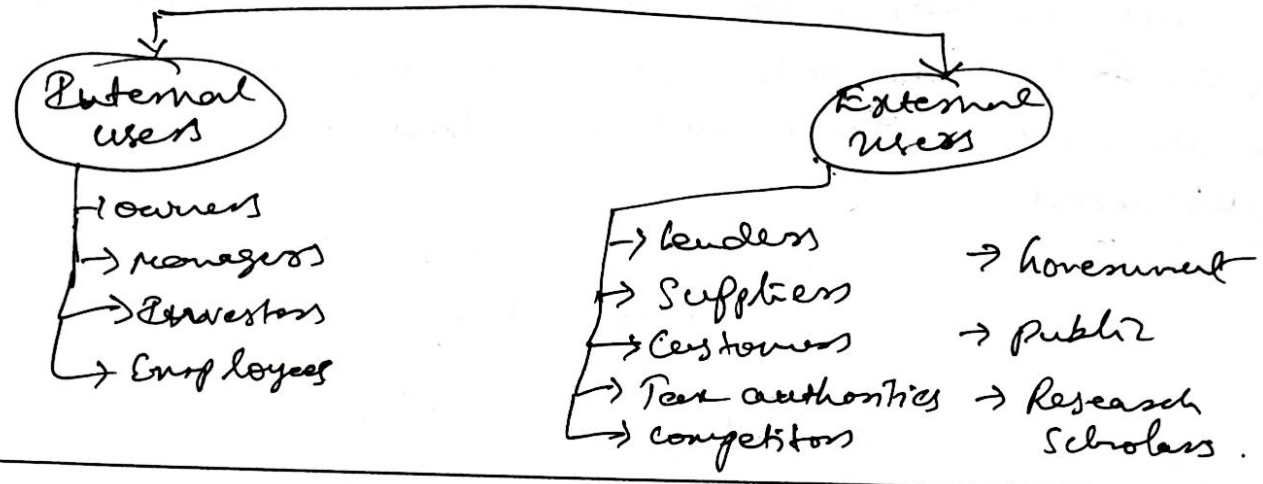
<u>Particulars</u>	<u>Debit</u>	<u>Credit</u>
Wages	2680	-
Purchases	12490	-
Salaries	520	-
Carriage	50	-
Buildings	12010	-
Bank o/d	470	470
Cash in hand	60	-
Debtors	1490	-
Capital	-	10,000
Sales	-	31,080
Rent paid	500	-
Disc. received	-	120
Light charges	160	-
Suppliers	-	800
Op. Stock	9260	-
Furniture	3250	-
	<u>42,470</u>	<u>42,470</u>

10M

2a) Annual concept means the financial year commencing from the first day of April of any calendar year and ending on the last day of March.

2
3M

2b) Users of financial statements



7M

2c) Journal Entries
in the books of Mr. Ramesh.

Date	Particulars	₹ Dr	₹ Cr
24 Jan 1)	Cash A/c --- Dr To Capital	100,000	-
		-	100,000
2)	Furniture A/c --- Dr To Cash	10,000	-
		-	10,000
3.	Purchases A/c --- Dr To Mahesh	13,500	-
		-	13,500
4.	Mahesh A/c --- Dr To purchase Returns	1,000	-
		-	1,000
5.	Mahesh A/c --- Dr To Cash A/c To Disc. received	13,500	-
		-	12,500
		-	1,000
7.	Umesh A/c --- Dr To Sales A/c	10,000	-
		-	10,000
8.	Sales Returns A/c --- Dr To Umesh A/c	2,000	-
		-	2,000
9.	Cash A/c --- Dr Disc. allowed A/c --- Dr To Umesh A/c	7,900 100	-
		-	8,000 (8000)
10.	Cash A/c --- Dr To Hari's loan A/c (advance)	10,000	-
		-	10,000
11.	Hari's A/c --- Dr To Sales A/c	10,000	-
		-	10,000

10M

3 a) Process of recording, analyzing & interpreting and the accrual accounting events of a company.

3
3m

3 b) International Financial Reporting standards (IFRS) objectives:

- * create a common law
- * Aid analysis
- * Assist in preparation of reliable financial records
- * Ensure comparability, transparency & flexibility in reporting.

3 c) Concepts:

- 1) Separate entity
- 2) money measurement
- 3) going concern
- 4) Accounting period
- 5) cost concept
- 6) Dual aspect
- 7) Realization
- 8) Accrual
- 9) matching
- 10) objective evidence.

Conventions

- * Consistency
- * Full disclosure
- + conservatism
- * Materiality

10m

Accounting Equation

4)

	Assets	Liabilities	Capital
1) Started bus. with cash/ptbr	150,000	—	150,000
2) Purchase goods on credit	80,000	80,000	
3) Sold goods on credit	230,000	80,000	150,000.
	(-60,000 60,000 (pts))	—	—
4) Received from Ramesh in full	230,000	80,000	150,000
	9500. (10,000) (pts)	—	(500) (pts)
5) Charged depreciation	229,500	80,000	149500
	(20,000)	—	(20,000)
6) Drew for personal use	209,500	80,000	129500
	(15000)	—	(15000)
7) Paid salary	194,500	80,000	114,500
	(35000)	—	(35000)
	159,500	80,000	79,500