


CMR INSTITUTE OF TECHNOLOGY		USN									
<b>Internal Assessment Test - II</b>											
Sub:	Accounting for Managers						Code:	22MBA13			
Date:	17.05.2023	Duration:	90min	Max Marks:	50	Sem:	I	Branch:	MBA		
<b>SET- II</b>											
<b>Part A - Answer Any Two Full Questions ( 2* 20 = 40 marks)</b>								Marks	OBE		
									CO	RBT	
1 (a)	Define ratio.							[03]	CO2	L1	
(b)	What is cash flow statement? How it is prepared?							[07]	CO2	L1	
(c)	The following Balance Sheet are given:										
	Liabilities		2021	2022	Assets		2021	2022			
	Equity share		3,00,000	4,00,000	Good will		1,15,000	90,000			
	Redeemable Pref		1,50,000	1,00,000	Land and Building		2,00,000	1,70,000			
	General Reserve		40,000	70,000	Plant		80,000	2,00,000			
	Profit and Loss		30,000	48,000	Debtors		1,60,000	2,00,000			
	Proposed Dividend		42,000	50,000	Stock		77,000	1,09,000			
	Creditors		55,000	83,000	Bill Receivable		20,000	30,000			
	Bill Payable		20,000	16,000	Cash in hand		15,000	10,000	[10] CO3 L3		
	Prov. 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				
It is given that:											
(i) Depreciation of Rs. 20,000 on L and B and Rs. 10,000 on plant has been charged in 2021											
(ii) Intern dividend of Rs. 20,000 has been paid in 2022											
(iii) Income Tax Rs. 35,000 has been paid during 2021. Prepare cash flow statement as per AS 3 from the year 2021.											
2 (a)	What is ROCE? Give the ratio of ROCE.							[03]	CO2	L1	
(b)	From the following particulars, prepare a bank Reconciliation Statement showing the balance as per Pass Book on 31st March, 2013.										
	(i) The following cheques were paid into the firm's Current Account in March, 2013 but were credited by the Bank in April, 2013. Mr. A Rs. 2,500; Mr. B Rs. 3000; Mr. C Rs. 2,400.										
	(ii) The following cheques were issued by the firm in March, 2013 but were cashed in April, 2013. Mr. D Rs. 3,000; Mr. E Rs. 5,000 Mr. F R. 3,000.										
	(iii) The Pass Book shows a credit of Rs. 250 for interest and a debit of Rs. 5 for bank charges.										
	(iv) The Bank Balance as per the Cash Book was Rs. 18,000.										
(c)	From the following income statements, calculate:										
	(i) Current ratio										
	(ii) Acid-test-ratio										
	(iii) Debtor turnover ratio										
	(iv) Average collection period										
	(v) Stock turnover ratio										
(Assume 360 days in a year)											
Particulars		Amount									
Net sales		10,00,000									
Less : cost of goods sold or cost of sales		7,00,000									
Gross profit		3,00,000									
Less : operating expenses		2,00,000									
								[10]	CO3	L3	

		Net profit	1,00,000				
		Cash in hand	5000				
		Cash at bank	4,000				
		Debtors	40,000				
		Closing stock	15,000				
		Fixed assets	56,000				
		Creditors	36,000				
		Bills payable	2,000				
		Short-term loan	10,000				
		Equity share capital	60,000				
		Reserves & surplus	12,000				
3 (a)	Why is bank reconciliation statement prepared?			[03]	CO1	L1	
(b)	From the following income statement of Renuka Ltd, explain the changes in 2020 in the light of condition prevailing in 2019 (using comparative statement analyses).			[07]	CO2	L3	
		Incomes & Expenses	2019				2020
		Gross sales	15,300				18,360
		Less: Returns & discounts	- 300				-350
		Net sales	15,000				18,010
		Less: Cost of Sales	- 9,100				-10,125
		Gross Profit	5,900				7,885
		Less: Operating exp:					
		Selling exp	-3,000				-3,300
		Admn, exp	-1,500				-1,700
		Operating profit	1,400				2,885
		Add: Other incomes	150				200
		1,550	3085				
	Less: Other expenses	-200	-300				
	Net profit	1,350	2,785				
(c)	Bring out the important types and objectives of Ratio Analysis.			[10]	CO3	L2	
<b>Part B - Compulsory (01*10=10 marks) – CASE STUDY</b>							
4	Prepare statement of Trading and Profit/ Loss for the year ended 31 <sup>st</sup> March 2022			[10]	CO3	L4	
	Capital - 1,00,000	Drawings - 10,000					
	Creditors - 12,000	Purchase - 1,05,000					
	Sales - 1,64,000	Return I/W - 3,000					
	Return O/W - 5,000	Wages - 50,000					
	B/P - 5,000	Bank - 10,000					
	P&M - 40,000	Repairs - 500					
	Drs - 24,000	Stock - 20,000					
	Rent - 4,000	Bad debts - 2,000					
	Mfy Expenses - 8,000	Carriage -1,500					
	Trade Expenses - 7,000	Fuel charges - 1,000					
	Adjustments:						
	(i) Stock as on 31 <sup>st</sup> March 2022 - 14,500						
	(ii) Depreciate P and M by - 4,000						
	(iii) Allow interest on capital at 5%						
	(iv) Outstanding repairs charges - 400.						



**SCHEME OF EVALUATION**  
**Internal Assessment Test 2- May 2023**

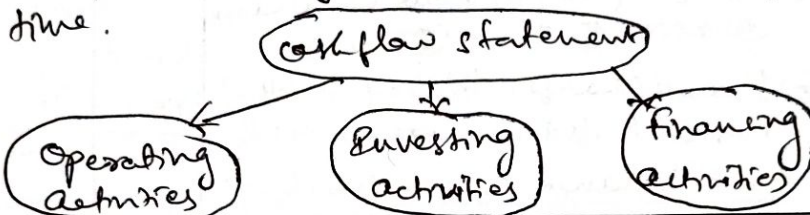
Sub: Accounting for Managers

Code: 22MBA13

Date: 17/5/2023 Duration: 90mins Marks: 50 Max Sem: I

Branch: MBA

Note: Part A - Answer Any Two Full Questions (20\*02=40 Marks)  
Part B - Compulsory (01\*10= 10marks)

Part	Question #	Description	Marks	Max Marks																																																																				
A	1	a) It describes the significant relationship b/w various items of b/s and P&L of a firm.	3	20 M																																																																				
		b) Cashflow Statement implies the statement containing cash inflows and outflows of an enterprise during a particular period of time.  <div style="text-align: center;">  </div>	7																																																																					
		c) <u>Cashflow Statement:</u> <table border="0" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%; vertical-align: top;"> <p><u>Ⓐ Cashflow from Op. 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a) Explains Relationship b/w operating profit and total investment made in the company.

$$ROEE = \frac{EBIT}{\text{Capital employed}}$$

3

b) Bank Reconciliation Statement

Bank bal as per Cashbook		18000.
(+) Cheque issued but not cashed Ⓐ 3000, Ⓔ 5000 Ⓕ 3000	11000	
(+) Int. credited in the P.B but not recorded in cash book	250	11250
(-) cheque paid into bank not credited Ⓐ 2500 Ⓑ 300 Ⓒ 2400.	(900)	29250
(-) Bank charges debited in the Passbook, but not entered in CB	(5)	(29205)
Bank balance as per Passbook		<u>21345</u>

7

c) ①  $CR = \frac{CA}{CL} = \frac{64000}{48000} = 1.33$

②  $ATR = \frac{CA - Stock}{CL} = \frac{64000 - 15000}{48000} = 1.02$

③  $DTR = \frac{\text{Credit Sales}}{\text{Avg. DTR}} = \frac{10,00,000}{40,000} = 25 \text{ times}$

④  $ACP = \frac{360}{25} = 14.4 \text{ or } 14 \text{ days}$

⑤  $STR = \frac{COGS}{\text{Avg. Stock}} = \frac{700,000}{15000} = 47 \text{ times}$

2

20 M

10



a) BRS is prepared to reconcile the bank balance as per cash book and the bank balance as per pass book as on particular date.

3

b) Comparative Statement

Particulars	2019	2020	↑ ↓	%
Gross sales	15300	18360	3060	20%
(-) Return	300	350	50	17%
Net sales	15000	18010	3010	20.1%
(-) cost of sales	9100	10125	1025	11.26%
Gross profit	5900	7885	1985	33.64
(-) op. expenses:				
selling exp	3000	2300	300	3.21%
Admin. exp.	1500	1700	200	13.33%
Op. profit	1400	2885	1485	106.07%
(+) other income	150	200	50	33.33
(-) other exps	1550	3085	1535	99.03%
Net profit	700	300	100	50%
	1350	2785	1435	106.29%

7

3

20 M

c) Types of Ratio

<p><u>Liquidity</u></p> <ul style="list-style-type: none"> <li>→ CR</li> <li>→ QR</li> <li>→ Cash Ratio</li> </ul>	<p><u>Profitability</u></p> <ul style="list-style-type: none"> <li>→ G/P ratio</li> <li>→ N/P ratio</li> <li>→ op. profit</li> <li>→ op. ratio</li> <li>→ ROCE</li> <li>→ Exp. Ratio</li> </ul>	<p><u>Solvency</u></p> <ul style="list-style-type: none"> <li>→ Debt Eq</li> <li>→ Networth</li> <li>→ FA to N/w</li> <li>→ CA to N/w</li> <li>→ Solvency</li> </ul>	<p><u>Turnover</u></p> <ul style="list-style-type: none"> <li>→ DTR</li> <li>→ CTR</li> <li>→ STR</li> <li>→ WCTR</li> <li>→ FATR</li> </ul>
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Importance / Objectives

- \* Improve busi. activity
- \* To know the performance
- \* To Analyse profit & C
- \* To provide information about orgy.
- \* To take decisions.

10

a)

P.T.O.

10

10 M

B

4

Statement of P&L A/c as on 31.3.22

I) Income:

Ⓐ Revenue

Sales	164000	
(-) Returns	3000	161000
Ⓑ Other Income	-	-
<b>Total Revenue Ⓐ</b>		<b>161000</b>

II) Expenses:

Ⓒ COGS

Op- stock	20,000.	
(+) Purchases	105000	
(-) Carriage	1500	
	126500	
(-) P. Return	5000	
(-) Closing stock	14500	
	107000	

Ⓓ Other exps.

wages	50,000	
Rent	4000	
Trade exps	7000	
Bad debt	2000	
Mfg. exps.	2000	
Fuel charges	1000.	
Repairs	500	
(+) O/S	<u>400</u>	900.
Depreciation	4000	
Int-on Capital (100000 x 5%)	5000	

<b>Total expenses Ⓑ</b>		<b>188900</b>
<b>Loss/Profit (A - B)</b>		<b>(27900)</b>
<b>net loss</b>		<b><u>27900</u></b>

10M

10M.

*Q. 12/5/22*