



Semester MBA Degree Examination, Dec.2024/Jan.2025
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.
 3. M : Marks, L: Bloom's level, C: Course outcomes.

		M	L	C																																																
Q.1	a. Define Accounting.	3	L1	CO1																																																
	b. The Balance sheet of Sri Co. Limited for the year ended 31 st March 2021 and 2022 are given below :	7	L4	CO3																																																
	<table><tr><td>Liabilities</td><td>31.3.2021</td><td>31.3.2022</td><td>Assets</td><td>31.3.2021</td><td>31.3.2022</td></tr><tr><td>Equity share capital</td><td>6,00,000</td><td>12,00,000</td><td>Buildings</td><td>6,00,000</td><td>12,00,000</td></tr><tr><td>12% pref. share capital</td><td>5,00,000</td><td>9,00,000</td><td>Machinery</td><td>4,00,000</td><td>8,00,000</td></tr><tr><td>Reserve fund</td><td>4,00,000</td><td>5,00,000</td><td>Investments</td><td>4,00,000</td><td>5,00,000</td></tr><tr><td>Profit & Loss A/C</td><td>2,00,000</td><td>3,00,000</td><td>Accounts Receivable</td><td>1,00,000</td><td>4,00,000</td></tr><tr><td>Long term loans</td><td>2,00,000</td><td>5,00,000</td><td>Cash at Bank</td><td>50,000</td><td>1,50,000</td></tr><tr><td>Creditors</td><td>1,00,000</td><td>3,00,000</td><td>Stock</td><td>4,50,000</td><td>6,50,000</td></tr><tr><td>Total</td><td>20,00,000</td><td>37,00,000</td><td>Total</td><td>20,00,000</td><td>37,00,000</td></tr></table> <p>Prepare comparative Balance sheet and comment on the Financial position.</p>	Liabilities	31.3.2021	31.3.2022	Assets	31.3.2021	31.3.2022	Equity share capital	6,00,000	12,00,000	Buildings	6,00,000	12,00,000	12% pref. share capital	5,00,000	9,00,000	Machinery	4,00,000	8,00,000	Reserve fund	4,00,000	5,00,000	Investments	4,00,000	5,00,000	Profit & Loss A/C	2,00,000	3,00,000	Accounts Receivable	1,00,000	4,00,000	Long term loans	2,00,000	5,00,000	Cash at Bank	50,000	1,50,000	Creditors	1,00,000	3,00,000	Stock	4,50,000	6,50,000	Total	20,00,000	37,00,000	Total	20,00,000	37,00,000			
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	c. Show the Accounting equation on the basis of the following transactions : Rajesh started business with Cash Rs 9,000. Purchased equipment for Cash Rs 7,400. Purchased goods on credit Rs 2,650. Paid Rs 300 to creditors. Sold goods for Cash Rs 2,000 (cost price Rs 1,200) Business expenses Rs 700. Goods worth Rs 400 taken from business for personal use. Depreciation on equipment Rs 200. Purchased goods for Cash Rs 1,000. Received Interest for Rs 200.	10	L3	CO3																																																
Q.2	a. What is Window dressing?	3	L1	CO1																																																
	b. Define Human Resource Accounting. State the objectives of Human Resource Accounting.	7	L2	CO1																																																
	c. What are Accounting Conventions? Explain the four Accounting Conventions.	10	L3	CO1																																																

Q.3	a.	Distinguish between Straight Line Method and Written Down value methods of Depreciation.	3	L2	CO1																																																												
	b.	Briefly explain the users of Accounting Information.	7	L3	CO2																																																												
	c.	Record the following transactions in three column Cash book : <table><tr><td>1.1.2021</td><td>Cash in hand Rs 30,000 & Cash at Bank Rs 40,000.</td></tr><tr><td>2.1.2021</td><td>Discounted a bill of Rs 10,000 at 1% through Bank</td></tr><tr><td>3.1.2021</td><td>Bought goods for Rs 20,000 and paid by cheque and discount allowed 1%.</td></tr><tr><td>15.1.2021</td><td>Paid Trade expenses Rs 1,500.</td></tr><tr><td>16.1.2021</td><td>Paid Taxes Rs 4,000.</td></tr><tr><td>17.1.2021</td><td>Paid Insurance charges Rs 1,000</td></tr><tr><td>25.1.2021</td><td>Sold goods Rs 12,500 and received a cheque and allowed discount 1%.</td></tr><tr><td>28.1.2021</td><td>Received a cheque from John & Co., for Rs 20,000</td></tr><tr><td>30.1.2021</td><td>Bought 100 National plan certificates Rs 100 at Rs 95 each and paid by cheque.</td></tr><tr><td>30.1.2021</td><td>Sold goods to Ramesh on credit Rs 500.</td></tr></table>	1.1.2021	Cash in hand Rs 30,000 & Cash at Bank Rs 40,000.	2.1.2021	Discounted a bill of Rs 10,000 at 1% through Bank	3.1.2021	Bought goods for Rs 20,000 and paid by cheque and discount allowed 1%.	15.1.2021	Paid Trade expenses Rs 1,500.	16.1.2021	Paid Taxes Rs 4,000.	17.1.2021	Paid Insurance charges Rs 1,000	25.1.2021	Sold goods Rs 12,500 and received a cheque and allowed discount 1%.	28.1.2021	Received a cheque from John & Co., for Rs 20,000	30.1.2021	Bought 100 National plan certificates Rs 100 at Rs 95 each and paid by cheque.	30.1.2021	Sold goods to Ramesh on credit Rs 500.	10	L3	CO3																																								
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Q.4	a.	Define Sustainability Reporting.	3	L2	CO1																																																												
	b.	What is Bank Reconciliation statement? State the reasons for differences in Balances of Cash book and Bank pass book.	7	L1	CO2																																																												
	c.	From the following Balance Sheet of A Co. Ltd., prepare Cash flow statement by Indirect method.	10	L6	CO3																																																												
<p>Balance Sheet as on 31st March 2021 & 2022</p> <table><tr><td>Liabilities</td><td>31.3.2021</td><td>31.3.2022</td><td>Assets</td><td>31.3.2021</td><td>31.3.2022</td></tr><tr><td>Equity share capital</td><td>3,00,000</td><td>4,00,000</td><td>Goodwill</td><td>1,15,000</td><td>90,000</td></tr><tr><td>8% Red.Pref. share capital</td><td>1,50,000</td><td>1,00,000</td><td>Land & Buildings</td><td>2,00,000</td><td>1,70,000</td></tr><tr><td>General Reserve</td><td>40,000</td><td>70,000</td><td>Plant</td><td>80,000</td><td>2,00,000</td></tr><tr><td>Profit & Loss A/c</td><td>30,000</td><td>48,000</td><td>Debtors</td><td>1,60,000</td><td>2,00,000</td></tr><tr><td>Proposed Dividend</td><td>42,000</td><td>50,000</td><td>Stock</td><td>77,000</td><td>1,09,000</td></tr><tr><td>Creditors</td><td>55,000</td><td>83,000</td><td>Bills Receivable</td><td>20,000</td><td>30,000</td></tr><tr><td>Bills payable</td><td>20,000</td><td>16,000</td><td>Cash in hand</td><td>15,000</td><td>10,000</td></tr><tr><td>Provision for Taxation</td><td>40,000</td><td>50,000</td><td>Cash at Bank</td><td>10,000</td><td>8,000</td></tr><tr><td>Total</td><td>6,77,000</td><td>8,17,000</td><td>Total</td><td>6,77,000</td><td>8,17,000</td></tr></table> <p>Additional Information :</p> <p>i) Depreciation of Rs 10,000 and Rs 20,000 have been charged on plant and land and building respectively.</p> <p>ii) Interim Dividend of Rs 20,000 has been paid in the year 2022.</p> <p>iii) Income Tax Rs 35,000 has been paid during the year 2022.</p>						Liabilities	31.3.2021	31.3.2022	Assets	31.3.2021	31.3.2022	Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000	8% Red.Pref. share capital	1,50,000	1,00,000	Land & Buildings	2,00,000	1,70,000	General Reserve	40,000	70,000	Plant	80,000	2,00,000	Profit & Loss A/c	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	Bills Receivable	20,000	30,000	Bills payable	20,000	16,000	Cash in hand	15,000	10,000	Provision for Taxation	40,000	50,000	Cash at Bank	10,000	8,000	Total	6,77,000	8,17,000	Total	6,77,000	8,17,000
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Q.5	a.	State the benefits of I.F.R.S.	3	L2	CO1																																																		
	b.	On July 1, 2012 Granites Ltd., purchased second hand machine for Rs 40,000 and reconditioned the same by spending Rs 6,000. On January 1, 2013 a new machine was purchased for Rs 24,000. On June 30, 2014 the machine purchased on January 1, 2013 was sold for Rs 16,000 and another machine was purchased at cost of Rs 30,000. The Company writes off 10% on original cost every year on March 31 st . Prepare Machinery Account for the years 2012 – 13, 2013 – 14 and 2014 – 15.	7	L6	CO2																																																		
	c.	Journalise the following transactions in the books of a Trader.	10	L6	CO2																																																		
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Q.6	a.	What is Green Accounting?	3	L1	CO1																																																		
	b.	From the following data relating to Balance sheet of K Ltd., for the period 31 st December 2015 to 31 st December 2018. Calculate the Trend percentages taking 2015 as the Base year. <table><tr><td></td><td colspan="4">(Rupees in Thousands)</td></tr><tr><td>Assets</td><td>2015</td><td>2016</td><td>2017</td><td>2018</td></tr><tr><td>Cash</td><td>100</td><td>120</td><td>80</td><td>140</td></tr><tr><td>Debtors</td><td>200</td><td>250</td><td>325</td><td>400</td></tr><tr><td>Stock</td><td>300</td><td>400</td><td>350</td><td>500</td></tr><tr><td>Other Current Assets</td><td>50</td><td>75</td><td>125</td><td>150</td></tr><tr><td>Land</td><td>400</td><td>500</td><td>500</td><td>500</td></tr><tr><td>Buildings</td><td>800</td><td>1,000</td><td>1,200</td><td>1,500</td></tr><tr><td>Plant</td><td>1,000</td><td>1,000</td><td>1,200</td><td>1,500</td></tr><tr><td>Total</td><td>2850</td><td>3345</td><td>3780</td><td>4690</td></tr></table>		(Rupees in Thousands)				Assets	2015	2016	2017	2018	Cash	100	120	80	140	Debtors	200	250	325	400	Stock	300	400	350	500	Other Current Assets	50	75	125	150	Land	400	500	500	500	Buildings	800	1,000	1,200	1,500	Plant	1,000	1,000	1,200	1,500	Total	2850	3345	3780	4690	7	L4	CO3
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	c.	From the following particulars of Mr. Abhilash, prepare Bank Reconciliation statement as on August 31 st 2022. 1) Bank overdraft as per Cash Book Rs 20,000. 2) Cheques issued, but not cashed prior to August 31 st 2022 Rs 6,000. 3) Interest on investments collected by Bank and credited in the pass Book Rs 3,000 4) Bank charges debited in the pass Book only Rs 100. 5) Cheques paid into Bank, but not cleared before 31.08.2022 Rs 2,000.	10	L6	CO2																																																		

		6) Credit side of Cash Book (Bank column) overcast by Rs 600. 7) Bills discounted dishonoured Rs 1,000. 8) Insurance premium paid directly by Bank as per standing instruction Rs 1,500. 9) Direct deposit into Bank by a Customer Rs 4,000 for which no entry was made in Cash Book. 10) There was wrong debit in the pass Book for Rs 1,000.																																															
Q.7	a.	State the functions of the Accounting Standards Board.	3	L1	CO2																																												
	b.	From the following balances prepare Trial Balance : <table border="1"><thead><tr><th>Particulars</th><th>Amt</th><th>Particulars</th><th>Amt</th></tr></thead><tbody><tr><td>Cash in hand</td><td>2,000</td><td>Machinery</td><td>20,000</td></tr><tr><td>Purchase Returns</td><td>4,000</td><td>Stock</td><td>10,000</td></tr><tr><td>Wages</td><td>8,000</td><td>Debtors</td><td>8,000</td></tr><tr><td>Establishment expenses</td><td>12,000</td><td>Sales</td><td>44,000</td></tr><tr><td>Sales Returns</td><td>8,000</td><td>Creditors</td><td>12,000</td></tr><tr><td>Capital</td><td>22,000</td><td>Purchases</td><td>28,000</td></tr><tr><td>Carriage outward</td><td>2,000</td><td>Bank overdraft</td><td>14,000</td></tr><tr><td>Discount Received</td><td>1,200</td><td>Manufacturing Expenses</td><td>14,000</td></tr><tr><td>Commission earned</td><td>800</td><td>Loan from Ashok</td><td>14,000</td></tr><tr><td>Interest on Investments</td><td>1,000</td><td>Carriage Inward</td><td>1,000</td></tr></tbody></table>	Particulars	Amt	Particulars	Amt	Cash in hand	2,000	Machinery	20,000	Purchase Returns	4,000	Stock	10,000	Wages	8,000	Debtors	8,000	Establishment expenses	12,000	Sales	44,000	Sales Returns	8,000	Creditors	12,000	Capital	22,000	Purchases	28,000	Carriage outward	2,000	Bank overdraft	14,000	Discount Received	1,200	Manufacturing Expenses	14,000	Commission earned	800	Loan from Ashok	14,000	Interest on Investments	1,000	Carriage Inward	1,000	7	L6	CO2
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	c.	From the following information prepare a summarized Balance sheet as at March 31 st 2021. Stock velocity = 6 Gross profit = 20% Fixed Assets Turnover Ratio = 4. Debt collection period = 2 months. Capital Turnover Ratio = 2 Creditors payment period = 73 days. Gross profit = Rs 60,000 Closing stock was Rs 5,000 in excess of opening stock.	10	L4	CO3																																												

Q.8

a.

The following is the Trial Balance as on 31st March 2022, prepare Income statement and Balance sheet.

Particulars	Debit	Credit
Capital	-	20,000
Buildings	15,000	-
Investments	10,000	-
Furniture	1,000	-
Maruti Car	8,000	-
Purchases / Sales	94,000	1,40,000
Returns	500	1,000
Debtors / Creditors	15,000	4,800
General Expenses	800	-
Cash	300	-
Bank	4,700	-
Rent	4,000	-
Commission	1,400	-
Rates & Tax	600	-
Bad debts	200	-
Insurance	400	-
Discount	700	500
Provision for doubtful debts	-	300
Opening Stock	10,000	-
Total	1,66,600	1,66,600

Adjustments :

- 1) Outstanding Expenses : Commission Rs 100 & Rent Rs 400.
- 2) Insurance prepaid Rs 50.
- 3) Create provision for doubtful debts @ 3% on debtors.
- 4) Stock on 31st March 2022 Rs 15,000.
- 5) Interest on Investments @ 5% due but not received.
- 6) Depreciation on Maruti Car at 10% , Furniture by 2% and Buildings by 3% to be provided.
- 7) Provide Interest on Capital at 5%.

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