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First Semester MBA Degree Examination, July/August 2022

Accounting for Managers

Time: 3 hrs.

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. Point out the various deductions available under 80C of Income Tax Act 1961. (07 Marks)
c. Show the accounting equation on the basis of the following transactions:
(i) Y started business with cash 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 Rs.40,000
(v) Sold goods costing Rs.20,000 on credit for Rs.42,000
(vi) Bought goods worth Rs.20,000 (Rs.15,000 paid in cash and balance on credit)
(vii) Drawn for personal use Rs.5000
(viii) Paid for salaries Rs.3000
(ix) Paid to creditors Rs.40,000
(x) Received from debtors Rs.12,000 (10 Marks)
- 2 a. What is window dressing? (03 Marks)
b. Distinguish between Trail Balance and Balance Sheet. (07 Marks)
c. What do you mean by IFRS? Explain in brief Accounting Standards. (10 Marks)
- 3 a. Differentiate between trade discount and cash discount. (03 Marks)
b. Explain the uses of accounting information. (07 Marks)
c. Compute cash from operations from the following:

Particulars	31/12/2020 (Rs.)	31/12/2021 (Rs.)
Sundry creditors	9,000	13,500
Bills payable	7,200	3,600
Outstanding expenses	5,400	9,000
Stock	18,000	21,600
Sundry debtors	27,000	36,000
Bill receivable	9,000	14,400
Prepaid expenses	1,800	900
Profit and Loss A/C balance	12,500	28,000

Other information:

- (i) Depreciation on fixed assets Rs.2000.
(ii) Loss on sale of machinery Rs.1000.
(iii) Dividend received on investment Rs.450
(iv) Preliminary expenses written off Rs.1,250
(v) Goodwill written off Rs.1000
(vi) Transfer to general reserve Rs.5000
(vii) Proposed dividend Rs.10,000
(viii) Profit on sale of building Rs.4000 (10 Marks)

- 4 a. Define depreciation. (03 Marks)
 b. What is cash flow statement? How it is prepared? (07 Marks)
 c. Journalize the following transactions in the books of Shri Shiv Kumar Gupta.

2022		Rs.
Jan. 1	Commenced business with	50,000
Jan. 2	Goods purchased for cash	30,000
Jan. 3	Paid freight	2,000
Jan. 7	Goods sold to Rajanikant for credit	13,000
Jan. 8	Paid for stationary	1,000
Jan. 9	Paid for rent	5,000
Jan. 10	Cash received from Mohandas allowed him discount	15,400
Jan. 17	Paid premium	600
Jan. 19	Paid to postage	4,000
Jan. 20	Rakesh was declared insolvent, fifty paise in the rupee was received from his estate. Total debt being Rs.10,000	100
Jan. 29	Paid for salaries	8,000

(10 Marks)

- 5 a. What is Forensic Accounting? (03 Marks)
 b. Explain the Heads of Income. (07 Marks)
 c. M Ltd., which depreciates its machine at 10% p.a. according to DBM as on 1 April 2021 Rs.4,86,000 balance in its machining account During the year ended 31st March 2022, the machinery purchased on 1 April 2019 for Rs.60,000 was sold for Rs.40,000 on 1st Oct 2021 and new machinery costing Rs.70,000 was purchased and installed on the same date, installation charges Rs.5000.

The company wants to change its method of depreciation for W.D.V to straight line method w.e.f. 1 April 2019 and adjust the difference before 31st March 2022 the rate of depreciation remaining the same as before.

Show Machinery Account for the year ended 31st Mar 2022.

(10 Marks)

- 6 a. Define Direct and Indirect Tax. (03 Marks)
 b. Current ratio is 3.75, acid test ratio 1.25, stock Rs.3,75,000, calculate working capital. (07 Marks)
 c. What is Human Resource Accounting? Explain the methods of HRA. (10 Marks)

- 7 a. Define Accounting Principles. (03 Marks)
 b. Briefly explain the concept of accounting. (07 Marks)
 c. Given below are few information by using the following information calculate:

(i) Sales

(ii) Closing stock

Gross profit ratio = 25%

Debtors turnover ratio = 4 months

Stock turnover ratio = 4 months

Closing stock is Rs.10,000 more than the opening stock. Cost of goods sold for the year is Rs.9,00,000. (10 Marks)

8 *Case Study:*

Prepare balance sheet of Darshan Ltd., in the prescribed proforma as on 31st March 22 from the following Trial Balance.

Trial Balance as on 31st March 2022

Particulars	Amount
Lease hold property	16,00,000
Bank balance	1,05,000
Plant and Machinery	9,00,000
Goodwill	3,00,000
Investment in a subsidiary company	11,50,000
Profit and Loss A/C	70,000
Stock of finished goods	1,20,000
Accounts receivable	2,40,000
Preliminary expense	39,000
Underwriting commission	45,000
Share capital	20,65,000
Staff provident fund	8,00,000
Capita redemption reserve	2,20,000
General reserve	1,90,000
Deposits from public	9,00,000
Accounts payable	2,10,000
Short term loan from SBI	1,78,000
Unclaimed dividend	6,000

(20 Marks)
