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20MBA13

First Semester MBA Degree Examination, Feb./Mar. 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. State the different types of accounting. (03 Marks)
b. Explain briefly different concept of accounting. (07 Marks)
c. Journalize the following transactions in the books of Mr. X for the month of December 2020.
- 2020 Dec. 1 Started business with cash of Rs.1,00,000.
2020 Dec. 3 Borrowed Rs.60,000 from Y
2020 Dec. 4 Purchased goods worth Rs.60,000 at a trade discount of 5%
2020 Dec. 6 Deposited into bank Rs.30,000
2020 Dec. 8 Sold goods to Z at a list price of Rs.80,000 and trade discount allowed 3%.
2020 Dec.14 Payment made by Z and allowed him cash discount 5%.
2020 Dec.20 Withdrawn for personal use Rs.1000
2020 Dec.22 Paid rent in advance Rs.5000
2020 Dec.24 Received commission from ABC Traders Rs.6,500
2020 Dec.28 Paid salaries Rs.15,000 (10 Marks)

- 2 a. What do you mean by Forensic Accounting? (03 Marks)
b. Explain the significance of Ratio Analysis. (07 Marks)
c. M/S ABC Ltd. presents to you the following data:

Particulars	Amount	Particulars	Amount
Equity capital	10,00,000	Fixed Assets	10,00,000
Reserve fund	1,00,000	Stock	4,00,000
Debentures	3,00,000	Prepaid expenses	1,00,000
Overdraft	2,00,000	Debtors	2,00,000
Creditors	3,00,000	Cash	2,00,000
Total	19,00,000	Total	19,00,000

Compute: (i) Current ratio (ii) Acid test ratio (iii) Debt equity ratio
(iv) Stock to working capital ratio (v) Proprietary ratio (10 Marks)

- 3 a. Explain the convention of conservatism. (03 Marks)
b. From the following data relating the PQR Co. Ltd for the period ended 31st March 2017 the 31st March 2020. Calculate trend percentages. (Rs. in lakhs)

Particulars	2016-17	2017-18	2018-19	2019-20
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

(07 Marks)

- 7 a. Calculate Break Even Point in units:
Selling price Rs.200 per unit; Variable cost Rs.100 per unit; Total fixed cost Rs.96,000. (03 Marks)
- b. What do you mean by functional budget? Discuss any two such budgets. (07 Marks)
- c. From the following income statement, calculate:

- (i) Gross Profit Ratio (ii) Net Profit Ratio (iii) Operating Ratio
(iv) Operating Profit Ratio (v) Stock Turn Over Ratio (vi) Expenses ratio

Sales		5,00,000
Less: Opening stock	76,250	
Purchases	3,22,250	
	3,98,500	
(-) Closing stock	98,500	3,00,000
Gross profit		2,06,000
Add: Non-operating income		6000
		2,06,000
Less: Expenses :		
Administration exp	1,01,000	
Selling and distribution exp	12,000	
Interest paid	7,000	
Loss on sale of shares	2,000	1,22,000
Net Profit		84,000

(10 Marks)

- 8 Case Study: (compulsory)
The following are the balances of Anup & Co. as on 31 March 2020.

Particulars	Dr.	Particulars	Cr.
Premises	30,72,000	Share capital	40,00,000
Plant	33,00,000	12% Debentures	30,00,000
Stock	7,50,000	Profit and Loss A/C	2,62,500
Debtors	8,70,000	Bills Payable	3,70,000
Goodwill	2,50,000	Creditors	4,00,000
Cash & Bank	4,06,500	Sales	41,50,000
Calls in arrears	75,000	General Reserve	2,50,000
Interim dividend paid	3,92,500	Bad debts provision	35,000
Purchases	18,50,000	(1-4-2019)	
Preliminary expenses	50,000		
Wages	9,79,800		
General expenses	68,350		
Salaries	2,02,250		
Baddebts	21,100		
Debenture interest paid	180,000		
	1,24,67,500		1,24,67,500

Additional information:

- (i) Depreciation plant by 15%.
(ii) Half year debenture interest is due.
(iii) Create 5% provision on debtors for doubtful debts.
(iv) Provision for income tax 50%.
(v) Stock as on 31st March 2020 Rs.9,50,000.
(vi) Write off Rs.5,000 from preliminary expenses.

Prepare final accounts of the company as per Schedule III to the Companies Act, 2013.

(20 Marks)
