



CBCS SCHEME

18MBA13

First Semester MBA Degree Examination, Aug./Sept.2020 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. What is convention of materiality? (03 Marks)
b. Explain the various types of accounts with relevant examples. (07 Marks)
c. Journalize the following transactions in the books of Mr.Ashok. (10 Marks)
- 2015
June, 1 Started business with cash Rs.45,000
June, 2 Paid into bank Rs.25,000
June, 4 Purchase of furniture and payment by cheque Rs.5000
June, 7 Sold goods to Mr. Aravind Rs.4000
June, 10 Goods returned to Mr. Amith Rs.1000
June, 14 Cash received from Aravind Rs.3760 and discount allowed to him Rs.40.
June, 18 Withdraw from bank for private use Rs.1000
June, 22 Paid telephone rent for one year Rs.400
June, 28 Cash paid to Mr. Raghupathi Rs.5940 in full settlement of his accounts Rs.6000
June, 30 Goods worth Rs.800 distributed as free sample.
- 2 a. Distinguish between revenue expenditure and capital expenditure. (03 Marks)
b. Explain any seven accounting concepts. (07 Marks)
c. From the following transactions relating to Mr. Akash, show the effect on his assets, liabilities and capital by using the accounting equation. (10 Marks)
- (i) Started business with cash Rs.10,000
(ii) Purchased goods on credit Rs.8000.
(iii) Goods destroyed by fire Rs.1000.
(iv) Recovered Rs.950 from Mr. Adithya's full settlement of his account Rs.1000.
(v) Charged depreciation Rs.2000.
(vi) Draw for personal use Rs.1500
(vii) Paid for salaries Rs.3500.
(viii) Additional capital introduced to the business Rs.10,000.
- 3 a. What is Marshalling of Balance Sheet? (03 Marks)
b. From the following transactions prepare the personal account of Mr. Anand and balance the amount at the end of the month. (07 Marks)

2010,	
April, 1	Sold goods to Mr. Anand Rs.30,000
April, 3	Received from Mr. Anand Rs.24,550 and discount allowed him Rs.50
April, 12	Mr. Anand bought goods Rs.7000
April, 16	Received cash from Mr. Anand Rs.5400
May, 2	Sold goods to Anand Rs.7000
May, 20	Received cash from Mr. Anand Rs.5540 and discount allowed Rs.60
May, 30	Received cash Rs.12,950 in full settlement of account Rs.13,000.

- c. On 1-1-2010 Mr. Ramesh purchased machinery of Rs.72,000 and spent Rs.6000 for installation and 12000 for repairs.
On 30-6-2012, he sold a part of the machinery casting Rs.18,000 for Rs.12,000. New machinery was purchased on the same day for Rs.30,000 and spent Rs.6000 for transportation.
The depreciation was charged at 10% p.a. on the original cost method. Show the machinery account for five years. Books of accounts are closed on 31st Dec every year. (10 Marks)
- 4 a. What is window dressing? (03 Marks)
b. What do you mean by IFRS? Explain the benefits of IFRS. (07 Marks)
c. Distinguish between SLM and WDV. What are its advantages? (10 Marks)
- 5 a. What is Tax? (03 Marks)
b. Briefly explain the different heads of Income. (07 Marks)
c. What are the deductions covered U/S 80C of Income Tax Act? (10 Marks)
- 6 a. What is Human Resource Accounting? (03 Marks)
b. Briefly explain the different types of Assets and Liabilities. (07 Marks)
c. Following are the liabilities and assets of Gramun Ltd. as on 31st March, 2014 and 31st March 2015.

Liabilities	2014	2015	Assets	2014	2015
Share capital	4,50,000	4,50,000	Plant and machinery	4,00,000	3,20,000
General reserve	3,00,000	3,10,000	Investments	50,000	60,000
Surplus A/C	56,000	68,000	Inventory	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtors	2,10,000	4,55,000
Provision for taxation	75,000	10000	Cash at bank	1,49,000	1,97,000
Mortgage loan	-	2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Additional Information:

- (i) Investment costing Rs.8,000 were sold during the year for Rs.8500.
(ii) Provision for taxation made during the year was Rs.9000.
(iii) During the year a part of plant and machinery costing Rs.10,000 was sold for Rs.12,000 the profit was included in surplus a/c.
(iv) Dividend paid during the year amounted to Rs.44080.
You are required to prepare cash flow statement by indirect method. (10 Marks)
- 7 a. What is sustainability reporting? (03 Marks)
b. Re-write the following Trial Balance to correct the same. Trial Balance on 31st March 2014.

Particulars	Amt.	Particulars	Amt.
Wages	2680	Capital	10,000
Purchases	12490	Sales	31,080
Salaries	520	Rent paid	500
Carriage	50	Discount received	120
Buildings	12010	Light charges	160
Bank O/D	470	Suppliers	800
Cash in hand	60	Opening stock	9260
Customers (Debtors)	1490	Furniture	3250
	29,770		55,770

(07 Marks)

c. Using the following data complete the Balance Sheet:

Gross profit (20% of sales) = 60,000

Share capital = 50,000

Credit sales to total sales = 80%

Total assets turnover (on sales) = 3 times

Closing stock turnover (to cost of sales) = 8 times

Average collection period (for 362 days) = 18 days

Current ratio = 1.6

Long term debt to equity = 40%

Share capital	?	Fixed assets	?
Long term debt	?	Stock	?
Creditors	?	Debtors	?
		Cash	?
	<u>?</u>		<u>?</u>

(10 Marks)

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Compulsory:

From the following Trial Balance of Mr. Nayak on 31-12-2018, prepare Final Accounts.

Particulars	Amount	Amount
Capital account	-	1,20,000
Drawing account	15,000	-
Bills receivable	22,000	-
Machinery	20,000	-
Debtors & Creditors	69,400	58,000
Wages	39,000	-
Purchases and Sales	2,52,000	3,55,000
Commission	-	5500
Rent and Taxes	6000	-
Stock on 1/1/2018	60,000	-
Salaries	10,500	-
Travelling expenses	20,000	-
Insurance	600	-
Bad-debt	3,500	-
Furniture	9,000	-
Returns	5,000	2,000
Cash in hand	500	-
Cash at bank	8,000	-
	5,40,500	5,40,000

Adjustments:

- Stock on hand on 31-12-2018 was Rs.1,00,000.
- Create 5% provision on Debtors for doubtful debts.
- Prepaid insurance amounts to Rs.100.
- Commission earned but not received amounts to Rs.500.
- Wages are unpaid to the extent of Rs.1000.
- Depreciate machinery by 5% and furniture by 10% per annum.

(20 Marks)

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