

# CBCS SCHEME

USN 

--	--	--	--	--	--	--	--	--	--

  
Librarian  
Learning Resource Centre  
Acharya Institute & Technology

18MBA13

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. What do you mean by GAAP? (03 Marks)
- b. Show the accounting equation on the basis of the following transactions :
- 1) Commenced business with cash Rs 50,000.
  - 2) Purchased goods on credit for Rs 400.
  - 3) Purchased goods for cash Rs 100.
  - 4) Paid Rent Rs 50.
  - 5) Paid Salary Rs 100.
  - 6) Sold goods for cash Rs 500.
  - 7) Received interest Rs 30. (07 Marks)
- c. Explain the various Accounting concepts and Conventions in brief. (10 Marks)
- 2 a. What is Depreciation? (03 Marks)
- b. Briefly explain the objectives of Forensic Accounting. (07 Marks)
- c. Journalise the following transaction in the books of Mrs Shwetha for January 2019.
- |              |   |
|--------------|---|
| 2019, Jan 1. | Started business with Cash Rs 3000 and Stock Rs 2000                                      |
| " 4.         | Purchased goods for Cash Rs 1000.   |
| " 7.         | Sold goods to Vikas on credit Rs 500.   |
| " 10.        | Goods returned by Vikas Rs 50.  |
| " 12.        | Purchased goods from Srikant at the list price of Rs 2000. He allowed 10% Trade discount. |
| " 17.        | Sent to Srikant in full settlement a cheque for Rs 1750.                                  |
| " 20.        | Paid Salary Rs 2000.  |
| " 25.        | Rent received Rs 1500.  |
| " 29.        | Drawn for Personal use – Goods Rs 100. Cash Rs 200 and by cheque from Bank Rs 200         |
| " 30.        | Sold goods for Cash Rs 1800. (10 Marks)   |
- 3 a. As a Financial analyst to analyse the liquidity position of a firm which ratios would you take into consideration. (03 Marks)
- b. Briefly explain the users of Accounting. (07 Marks)
- c. Explain the methods of Human Resource Accounting. (10 Marks)
- 4 a. What are the branches of Accounting? (03 Marks)
- b. Briefly explain any seven Accounting Standards. (07 Marks)
- c. Vishwas & Co., whose Accounting year is the Calender year, Purchased on 1/4/16 , Machinery Costing Rs 30,000. It purchased further Machinery on 1/10/16 costing Rs 20,000 and on 1/7/17 costing Rs 10,000. On 1/1/18 one third of the Machinery which was installed on 1/4/16 became obsolete and was sold for Rs 3000. Show the Machinery Account would appear in the books of Vishwas and Co. for 3 years. Assuming that Machinery was depreciated by SLM @ 10% P.A. (10 Marks)

- 5 a. What is Convention of Conservatism? (03 Marks)
- b. Prepare a Trial balance of Mr. ABC as on 31/3/2018 from the following :  
 Purchases – 60,000 ; Reserves fund – 20,000 ; Sales – 1,00,000 ;  
 Purchases returns – 1000 ; Sales return – 2000 ; Opening stock – 30,000 ;  
 Expenses – 20,000 ; Outstanding expenses – 2000 ; Bank – 5000 ;  
 Fixed Assets – 50,000 ; Debtors – 80,000 ; Creditors – 30,000 ; Capital – 94,000.  
 (07 Marks)

c. Given :

Particulars	Amt (Rs)	
Sales	30,00,000	Cash Rs 50,000 (included in Current asset)
Cost of Sales	20,00,000	
Net profit	4,00,000	
Average Inventory	8,00,000	Bank overdraft Rs 40000
Other current Assets	7,00,000	(included in Current liability)
Current liabilities	5,00,000	
Fixed Assets	15,40,000	

Calculate : i) Gross Profit Ratio ii) Net Profit Ratio iii) Current Ratio  
 iv) Quick Ratio v) Absolute Quick Ratio. (10 Marks)

- 6 a. What do you mean by Accounting Standard? (03 Marks)
- b. List out the deductions available under Section 80C. According to IT Act of 1961. (07 Marks)
- c. Briefly explain the Heads of Income. (10 Marks)
- 7 a. State the features of IFRS. (03 Marks)
- b. Calculate Cash flow from operating activities from the followings :

Particulars	31/3/17 (Rs)	31/3/18 (Rs)
Profit and loss A/c	60,000	65,000
Debtors	85,000	48,000
Bills Receivables	40,000	81,000
General Reserve	1,72,000	2,07,000
Wages outstanding	26,000	8,000
Salaries Prepaid	8,000	10,000
Goodwill	70,000	60,000

(07 Marks)

c. Record the following transactions in three – column cash book.

2018 Feb, 1 <sup>st</sup>	Commenced business with Cash Rs 10,000
" 6 <sup>th</sup>	Received a cheque for Rs 5000 for goods sold
" 7 <sup>th</sup>	Issued a cheque for Rs 500 Furniture purchased
" 8 <sup>th</sup>	Purchased goods for Rs 3000 and paid by cheque
" 8 <sup>th</sup>	Received a cheque for Rs 490 in settlement of Rs 500 on A/C.
" 10 <sup>th</sup>	Paid into Bank of India Rs 5000 received from Rangan
" 15 <sup>th</sup>	Paid wages in Cash Rs 200
" 18 <sup>th</sup>	Drew a cheque for Personal use Rs 400
" 25 <sup>th</sup>	Drew for Office use Rs 250
" 27 <sup>th</sup>	Paid Electricity charges in Cash Rs 15
" 28 <sup>th</sup>	Paid Salaries by cheque Rs 1000.

(10 Marks)



8 CASE STUDY :

From the following Trial balance of Mr. HASUVI, prepare Trading and Profit and Loss Account for the year 31<sup>st</sup> March 2018 and a Balance sheet as on that date. [Use Horizontal Form].

Particulars	Debit. (Rs)	Credit (Rs)
Capital		30,000
Drawings	5,000	
Sundry Debtors & Creditors	20,000	10,000
Loan on Mortgage		9,500
Interest on loan	300	
Cash in hand	2,000	
Provision for Bad Debts		700
Opening Stock	6,800	
Motor Vehicles	10,000	
Cash at Bank	3,500	
Land and Buildings	12,000	
Bad debts	500	
Purchases and Sales	66,000	1,10,000
Sales Returns & Purchases Returns	8,000	1,500
Carriage Outward	2,500	
Carriage Inward	3,000	
Salaries	9,000	
Rent , Taxes and Insurance	3,000	
Advertising	3,500	
Discount		500
General Expenses	3,400	
Bills Receivable and Bill Payable	6,000	2,000
Rent Received		300
Total	1,64,500	1,64,500

Adjustments :

- 1) Depreciate Land & Buildings @ 2½ and Motor Vehicles @ 20%.
- 2) Salaries outstanding Rs 700.
- 3) Prepaid Insurance Rs 200.
- 4) Provision for Bad Debts is to be maintained @ 5% on Sundry Debtors.
- 5) Closing Stock was valued @ Rs 7000.

(20 Marks)

\*\*\*\*\*