

D 53837

(Pages : 5)

Name.....

Reg. No.....

FIRST SEMESTER M.B.A. DEGREE EXAMINATION, JANUARY 2024

(CUCSS)

M.B.A.

BUS IC 08—ACCOUNTING FOR MANAGERS

Time : Three Hours

Maximum : 36 Weightage

Part A*Answer **all** the questions.**Each question carries 1 weightage.*

1. What do you mean by journal proper ?
2. Explain principle of prudence.
3. What is meant by turnover ratios ? Give examples.
4. Explain IAS 2.
5. What do you mean by statement of changes in working capital ?
6. How will you treat goods drawn by the proprietor for personal use ?

(6 × 1 = 6 weightage)

Part B*Answer any **four** questions.**Each question carries 3 weightage.*

7. Mention the difference between Balance sheet and Trial Balance.
8. Distinguish between Fund flow statement and Cash flow statement.
9. Explain Accounting principles.
10. What do you mean by financial statements ? Mention the characteristics of ideal financial statements.
11. If current liabilities are Rs. 30,000, current ratio is 2.25 times and liquid ratio is 1.25 times; calculate Current assets, Liquid assets and Stock in trade.

Turn over

12. Explain the following :

- (a) Accrued income
- (b) Deferred revenue expenditure
- (c) Provision for discount on debtors.

(4 × 3 = 12 weightage)

Part C

Answer any **three** questions.

Each question carries 4 weightage.

13. Balance sheet of M/s. Black and white as on January 1st, 2015 and December 31st, 2015 were as follows. Prepare Funds flow statement.

<i>Balance Sheet</i>					
<i>Liabilities</i>	1.1.15	31.12.15	<i>Assets</i>	1.1.15	31.12.15
	Rs.	Rs.		Rs.	Rs.
Creditors ...	18,000	20,500	Cash ...	2,000	1,800
Bank loan (long term) ...	15,000	22,500	Debtors ...	17,500	19,200
Capital	74,000	74,500	Stock ...	12,500	11,000
			Land ...	10,000	15,000
			Building ...	25,000	27,500
			Machinery ...	40,000	43,000
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	1,07,000	1,17,500		1,07,000	1,17,500
	<hr/>	<hr/>		<hr/>	<hr/>

During the year drawings the proprietor for personal use amounted to Rs. 13,000. Provision for depreciation on machinery stood at Rs. 13,500 on January 1st and at Rs. 18,000 On December 31st.

14. Prepare a Trading and Profit and Loss account and a Balance sheet with the help of the following ratios :

Gross profit ratio	: 25 %
Net profit/sales	: 20 %
Stock turnover ratio	: 10

3

Net profit/capital	: 1/5
Capital to total liabilities	: 1/2
Fixed assets/capital	: 5/4
Fixed assets/ total current assets	: 5/7
Fixed assets	: Rs. 10,00,000
Closing stock	: Rs. 1,00,000

15. Explain in brief the tools and techniques of financial statement analysis.
16. The Balance sheet of Samsung Ltd. is as follows.

Balance Sheet

<i>Liabilities</i>		1.4.15	31.3.15	<i>Assets</i>		1.4.15	31.3.16
		Rs.	Rs.			Rs.	Rs.
Share capital	...	35,000	37,000	Cash	...	4,500	3,900
Debentures	...	6,000	3,000	Debtors	...	7,450	8,850
Creditors	...	5,180	5,920	Stock	...	24,600	21,350
Provision for bad debt	...	350	400	Land	...	10,000	15,000
Profit and Loss a/c	...	5,020	5,280	Goodwill	...	5,000	2,500
		<u>51,550</u>	<u>51,600</u>			<u>51,550</u>	<u>51,600</u>

Additional information :

- (a) Dividend paid amounted to Rs. 1,750
- (b) Land was purchased for Rs. 5,000
- (c) Amortization of goodwill amounted to Rs. 2,500
- (d) Debentures were redeemed to the extent of Rs. 3,000
- (e) Income tax paid Rs. 1,000

You are required to prepare a cash flow statement

17. What is ratio analysis ? Briefly explain the classification of ratios ?

(3 × 4 = 12 weightage)

Turn over

Part D

Compulsory question.

6 weightage.

18. The following is the Trial Balance of Mr. Akhil on 31st March, 2016 :

<i>Particulars</i>	<i>Dr.</i>	<i>Cr.</i>
Cash in hand ...	540	
Cash at bank ...	12,630	
Purchases ...	1,40,675	
Sales ...		2,58,780
Return inwards ...	2,680	
Return outwards ...		1,500
Wages ...	20,480	
Fuel and power ...	4,730	
Carriage on sales ...	3,200	
Carriage on purchases ...	2,040	
Stock (1 st April 2015) ...	25,760	
Buildings ...	30,000	
Freehold land ...	20,000	
Machinery ...	20,000	
Patents ...	7,500	
Salaries ...	15,000	
General expenses ...	13,000	
Insurance ...	600	
Drawings ...	15,245	
Capital ...		82,000
Sundry debtors ...	14,500	
Sundry creditors ...		6,300
	<u>3,48,580</u>	<u>3,48,580</u>

Taking into account the following adjustments, prepare Trading and Profit and Loss account and the Balance sheet :

- (a) Stock in hand on 31st March 2016 is Rs. 26,800.
- (b) Machinery is to be depreciated at the rate of 10 % and patents at the rate of 20 %.
- (c) Salaries for the month of March 2016 amounting to Rs. 1,500 were unpaid.
- (d) Insurance includes a premium of Rs. 170 on a policy, expiring on 30th September 2016.
- (e) Wages include a sum of Rs. 2,000 spent on the erection of a cycle shed for employees and customers.
- (f) A provision for bad and doubtful debts is to be created to the extend of 5% of sundry debtors.

(1 × 6 = 6 weightage)