

Code: BA1T3

**I MBA-I Semester-Regular/Supplementary Examinations
January 2017**

ACCOUNTING FOR MANAGERS

Duration: 3hours

Max. Marks: 70

SECTION-A

1. Answer any FIVE of the following:

5 x 2 = 10 M

- a) P.V. Ratio
- b) EOQ
- c) Double entry system
- d) Depreciation
- e) Performa of trading account
- f) Types of Inventory
- g) Breakeven point
- h) Zero Based budgeting

SECTION – B

Answer the following:

5 x 10 = 50 M

2. a) What is depreciation? Discuss various methods used for depreciation with example.

(OR)

b) Explain the need and functions of financial accounting and also explain the concept of financial accounting.

3. a) What are subsidiary books explain them in brief?

(OR)

b) Journalise the following transaction in the book of trader.

- **Debit balance as on January 1st 2014**

Cash in hand Rs. 8000, Cash at bank Rs. 25,000, stock of goods Rs. 20,000, Furniture Rs. 2,000, Building Rs. 10,000, Debtors Rs. 5,000.

• **Credit Balance as on January 1st 2014**

Creditors Rs. 5,000, Loan from Babul Rs. 10,000.

Following are the further transactions in the month of January

- i. 1st Purchase goods worth Rs. 5000 for cash less 20% trade-discount and 5% cash discount.
- ii. 4th Received Rs. 1980 from Vijay and allowed him Rs. 20 as discount
- iii. 6th Purchase goods from Bharat Rs. 5000
- iv. 8th Purchase plant from Mukesh for Rs. 5000 and paid Rs. 100 as cartage for bringing the plant to the factory and Rs. 200 as installation charges.
- v. 12th Sold good to Rahim on credits Rs. 600.
- vi. 15th Rahim become insolvent and could pay only 50 paisa in a rupee
- vii. 16th Sold goods to Ram on cash Rs. 1000
- viii. 20th paid salary to Ratan Rs. 2000
- ix. 21st paid Ananad Rs. 4800 in full settlement
- x. 26th interest received from Madhu Rs. 200
- xi. 28th paid interest on loan Rs. 500
- xii. 31st sold goods on cash Rs. 500
- xiii. 31st withdraw goods from business for personal use Rs. 200

4. a) Explain various important ratios.

(OR)

b) From the following particulars abstracted from the BALAJI and Co., prepare Trading and P&L account for the year ending 31st march 2012 and balance sheet as on that date.

Particulars	Amount Rs.(Dr.)	Particulars	Amount Rs. (Cr.)
Stock on 1.4.2011	23,400	Capital	54050
Purchase	1,21,550	Purchase return	2900
Sales return	4,300	Sales return	144800
Carriage inwards	9,300	Creditors	7400
Carriage outwards	1,960	Discount	1495
Rent	2,850	Loan from SBI @ 12%	10,000
Salaries	4,650	Interest on investment	725
Debtors	12000		
Printing & Stationary	1,700		
Interest on loan	450		
Advertisement	5600		
Cash in hand	190		
Cash at bank	4000		
Investment(9% per annum)	17500		
Furniture	900		
Discounts	3770		
Fire insurance premium	300		
Audit fees	350		
Travelling expenses	1165		
Postage and telegram	435		
Drawings	5000		
	2,21,370		2,21,370

Adjustments:

- a) Stock as on 31st march 2011 Rs. 39300
- b) Purchase includes furniture purchased on 30.9.2011 for Rs. 1000
- c) Depreciation is to be provided on furniture at 10% per annum
- d) Provide for interest payable to SBI and for interest receivable on investment
- e) Provide reserve for bad and doubt full debt at 5% of sundry debtors

5. a) What do you mean by financial analysis? Write the difference between Horizontal analysis and Vertical analysis.

(OR)

b) What do you mean by marginal costing? Explain its applications?

6. a) Sales Rs. 200000, Profit: Rs. 20000, Variable cost: 60%. You are required to calculate:

- i. P/V ratio
- ii. Fixed cost
- iii. Sales volume to earn a profit of Rs. 50000

(OR)

b) What is meant by cost-volume profit analysis? Explain with the help of graphical representation. Distinguish between capital expenditure, revenue expenditure and capital income and revenue income.

SECTION-C

7. Case Study

1x10=10 Marks

Prepare a comparative Balance Sheet of XY Ltd.

Liabilities	2001 Rs.	2002 Rs.	Assets	2001 Rs.	2002 Rs.
Share Capital	30,000	36,000	Fixed Assets	60000	75000
Reserves and Surplus	12000	15000	Current Assets	14000	13500
Loans	17000	25500			
Current liabilities	15000	12000			
	74000	88500		74000	88500

Prepare & analyse comparative balance sheet under following heads

- i. Total fixed assets
- ii. Working capital
- iii. Capital employed
- iv. Loan
- v. Shareholder's funds
- vi. Share capital
- vii. Reserves and Surplus