

Code No: **21BA1T3**

**I MBA - I Semester Regular/ Supplementary Examinations
FEBRUARY - 2023**

ACCOUNTING FOR MANAGERS

Duration: 3 Hours

Max. Marks: 70

- Note:
1. This question paper contains three Parts-A, Part-B and Part-C.
 2. Part-A contains 8 short answer questions. Answer any **Five** Questions. Each Question carries 2 Marks.
 3. Part-B contains 5 essay questions with an internal choice from each unit. Each Question carries 10 marks.
 4. Part-C contains one Case Study for 10 Marks.
 5. All parts of Question paper must be answered in one place

BL – Blooms Level

CO – Course Outcome

PART - A

		BL	CO
1. a)	Explain the importance of accounting?	L2	CO1
1. b)	Explain the elements of inventory management.	L2	CO2
1. c)	Describe the Trend projection method.	L1	CO3
1. d)	Compare the Absorption cost with Marginal cost.	L2	CO4
1. e)	Write about Zero Based Budgeting (ZBB).	L1	CO5
1. f)	Discuss Funds flow statement.	L2	CO2
1. g)	Interpret about Investor?	L2	CO3
1. h)	Explain the concept of profit planning.	L2	CO4

PART – B

		BL	CO	Max. Marks
<u>UNIT – I</u>				
2.	a)	Explain the principles of personal account, real account and nominal account with suitable examples.		
	b)	State Debit or Credit to the following aspects: i) Purchases A/c ii) Sales A/c iii) Sales Returns A/c iv) Purchase Returns A/c v) Wages A/c vi) Commission Received A/c vii) Bad Debts A/c viii) Capital A/c ix) Drawings A/c		
OR				
3.	a)	Explain the meaning, importance and limitations of financial accounting.		

	b)	Discuss the convention of full disclosure, convention of materiality, convention of conservatism and convention of consistency.	L2	CO1	5 M
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UNIT – II

4.	a)	Describe the merits and demerits of Diminishing Value Method.	L3	CO2	5 M
	b)	Write journal entries from the following transactions: 2020 Jan 1 st Business started with cash Rs.50,000 Jan 2 nd Cash paid into bank Rs.1,000 Jan 3 rd Goods sold to Bhuvan Rs.2,000 Jan 4 th Goods purchased from Vinay Rs.2,500 Jan 5 th Goods returned to Vinay Rs.1,000 Jan 10 th Goods returned by Bhuvan Rs.500 Jan 15 th Machinery purchased on cash Rs.10,000 Jan 21 st Furniture sold for cash Rs. 5,000 Jan 30 th Rent Paid for Rs.3,000 Jan 31 st Commission received for Rs.2,000	L3	CO2	5 M

OR

5.	a)	List out the causes of depreciation, merits and demerits of fixed installment method.	L3	CO2	5 M
	b)	You are required to Show Trial balance as on 31.12.2021 under balances method from the following information: Capital Rs.6,000; Cash in hand Rs. 500; Bills Receivable Rs.4,550 ; Land & Building Rs.6,000; Purchases Rs. 7,000; Sales Rs.8,000; Debtors Rs.3,300; Creditors Rs.600; Bills Payable Rs. 2,750; Bank Overdraft Rs.4,000.	L3	CO2	5 M

UNIT-III

6.	a)	Summarize the meaning, advantages and limitations of financial statements.	L4	CO3	5 M					
	b)	Prepare a comparative income statement for the year ending 31-03-2018 from the following income statement: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Particulars</th> <th>2017 Amount Rs.</th> <th>2018 Amount Rs.</th> </tr> </thead> <tbody> <tr> <td>Net Sales</td> <td>45,000</td> <td>40,000</td> </tr> </tbody> </table>	Particulars	2017 Amount Rs.	2018 Amount Rs.	Net Sales	45,000	40,000	L4	CO3
Particulars	2017 Amount Rs.	2018 Amount Rs.								
Net Sales	45,000	40,000								

		Less: Cost of goods sold	35,500	31,250			
		Gross profit	9,500	8,750			
		Less: Operating	6,200	5,450			
		Add: Operating	2,000	3,000			
		Net profit before tax(PBT)	5,300	6,300			
		Less: Tax @ 50%	2,650	3,150			
		To Net profit after tax	2,650	3,150			

OR

7.	a)	Examine the need and significance of Ratio Analysis.	L2	CO3	5 M																																												
	b)	<p>Calculate the following liquidity ratios from the following balance sheet.</p> <p>(i) Current ratio (ii) Quick ratio (iii) Absolute liquidity ratio:</p> <p>Balance Sheet of Lakshmi & Co for the year ended 31-12-2019</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Liabilities</th> <th style="width: 15%;">Amount (Rs.)</th> <th style="width: 30%;">Assets</th> <th style="width: 15%;">Amount (Rs.)</th> </tr> </thead> <tbody> <tr> <td>Equity share</td> <td>11,00,000</td> <td>Goodwill</td> <td>6,00,000</td> </tr> <tr> <td>6% Preference Share Capital</td> <td>7,00,000</td> <td>Plant & Machinery</td> <td>8,00,000</td> </tr> <tr> <td>General Reserve</td> <td>3,00,000</td> <td>Land & Building</td> <td>9,00,000</td> </tr> <tr> <td>P&L A/c</td> <td>5,00,000</td> <td>Furniture</td> <td>2,00,000</td> </tr> <tr> <td>12% Debentures</td> <td>7,00,000</td> <td>Inventory</td> <td>2,00,000</td> </tr> <tr> <td>Creditors</td> <td>3,80,000</td> <td>Bills Receivables</td> <td>1,00,000</td> </tr> <tr> <td>Bank O.D</td> <td>70,000</td> <td>Debtors</td> <td>8,00,000</td> </tr> <tr> <td>Bills Payable</td> <td>1,24,000</td> <td>Bank Balance</td> <td>3,00,000</td> </tr> <tr> <td>Provision for Taxation</td> <td>76,000</td> <td>Marketable Securities</td> <td>50,000</td> </tr> <tr> <td></td> <td>39,50,000</td> <td></td> <td>39,50,000</td> </tr> </tbody> </table>	Liabilities	Amount (Rs.)	Assets	Amount (Rs.)	Equity share	11,00,000	Goodwill	6,00,000	6% Preference Share Capital	7,00,000	Plant & Machinery	8,00,000	General Reserve	3,00,000	Land & Building	9,00,000	P&L A/c	5,00,000	Furniture	2,00,000	12% Debentures	7,00,000	Inventory	2,00,000	Creditors	3,80,000	Bills Receivables	1,00,000	Bank O.D	70,000	Debtors	8,00,000	Bills Payable	1,24,000	Bank Balance	3,00,000	Provision for Taxation	76,000	Marketable Securities	50,000		39,50,000		39,50,000	L4	CO3	5 M
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UNIT – IV

8.	a)	What is the significance of Break-Even Analysis?	L2	CO4	5 M
	b)	If sales is 10,000 units and selling price is Rs 20 per unit, variable cost Rs. 10 per unit and fixed cost is Rs.	L4	CO4	5 M

		80,000. Find out BEP in units and in sales revenue. What is the profit earned? What should be the sales per earning a profit of Rs. 60,000?			
OR					
9.	a)	"Most of the cost concepts are overlapping and repetitive". Do you agree with this statement? Simplify your answer.	L2	CO4	5 M
	b)	How cost analysis helps the enterprise or entrepreneurs in expansion decisions?	L3	CO4	5 M
<u>UNIT – V</u>					
10.	a)	Explain the Budgeting control procedures.	L3	CO5	5 M
	b)	Outline different types of budgets.	L2	CO5	5 M
OR					
11.	a)	What kind of problems generally arises in Cash Budget?	L2	CO5	5 M
	b)	How the reports of budget helps in management control activities?	L3	CO5	5 M

PART – C

			BL	CO	Max. Marks
12.	Using the following information, prepare a flexible budget for the Ravi Company Limited.		L4	CO5	10 M
	Production at 50% Capacity	5,000 Units			
	Raw Materials	Rs.80 per unit			
	Direct Labor	Rs.50 per unit			
	Direct Expenses	Rs.15 per unit			
	Factory Expenses	50,000 (50% Fixed)			
	Administration Expenses	60,000 (60% Variable)			
	Fixed cost	10000			
	Questions: 1. Prepare level of activity at 40% capacity. 2. Prepare level of activity at 80% capacity. 3. Prepare level of activity at 90% capacity and give suitable suggestion for which is optimum level of activity.				