

**FACULTY OF MANAGEMENT**  
**MBA I Semester (CBCS) Examination, July / August 2021**

**Subject: Accounting for Management**  
**Paper: MB - 102**

**Time: 2 Hours**

**Max. Marks: 80**

**PART – A**

**Note: Answer any four questions.**

**(4 x 5 = 20 Marks)**

- 1 Significance of accounting standards
- 2 Depreciation methods
- 3 Advantages of ratio analysis
- 4 Distinguish between funds and cash flow analysis
- 5 CVP analysis

**PART – B**

**Note: Answer any four questions.**

**(4 x 15 = 60 Marks)**

- 6 Explain the managerial uses of financial accounting system.
- 7 From the following details, journalise the transactions.

Dec 1	Started business with cash	Rs.10,000
5	Bought goods for cash	Rs.4,000
10	Sold goods to Hemant	Rs.2,000
15	Sold goods for cash	Rs.1,000
20	Received cash from Hemant	Rs.1,500
25	Paid for rent	Rs.500
28	Purchased good from Raju	Rs.5,000
30	Cash paid to Raju	Rs.2,000
31	Received commission	Rs.500.

- 8 Describe the provisions relating to preparation of financial statements as per the Indian companies Act.

..2..

9 Prepare Trading and P&L Account and Balance Sheet for the year ending 31-12-2020.

Capital	Rs.10,000	Debtors	Rs.7,500
Drawings	Rs.2,000	Return inwards	Rs.300
Purchases	Rs.20,800	Return outwards	Rs.580
Opening stock	Rs.6,900	Carriage inwards	Rs.400
Sales	Rs.27,500	Wages	Rs.325
Creditors	Rs.8,100	Salaries	Rs.900
Rent	Rs.1,000	Interest	Rs.480
Discount(cr)	Rs.270	Carriage outwards	Rs.700
Furniture	Rs.900	Insurance	Rs.900
Machinery	Rs.5,000	Bank loan	Rs.3,000
Travelling expenses	Rs.650	Cash	Rs.575
Bad debts	Rs.120		

Adjustments:

- (i) Closing stock Rs.8,900
- (ii) Prepaid insurance Rs.250
- (iii) Outstanding salaries Rs.100 and Rent Rs.200
- (iv) Depreciate Machinery and Furniture at 10%.

10 Discuss the significant techniques for analysis of financial statements.

11 From the following details, calculate –

- (i) Current ratio
- (ii) Quick ratio
- (iii) Debt-equity ratio
- (iv) Fixed assets ratio
- (v) Net profit ratio.

#### Balance Sheet

Equity capital	100000	Land	100000
Preference capital	50000	Buildings	80000
Debentures	50000	Stock	25000
Net profit	20000	Debtors	55000
Creditors	30000	B/R	3000
Bills payable	15000	Cash	2000
	265000		265000

12 Discuss the methodology of BSC and its significance.

..3..

13 The following are the Balance Sheets of A Co. Ltd.

<b>Liabilities</b>	<b>2019</b>	<b>2020</b>	<b>Assets</b>	<b>2019</b>	<b>2020</b>
Equity	3000	4000	Land	2000	2500
Share premiere	-	100	Machinery	4000	4500
P&L A/c	1000	3000	(-) Depreciation	1400	1500
Debentures	1500	1000		2600	3000
Profit on redemption of debentures	-	20	Investments	200	350
Creditors	1400	1100	Stock	1400	1500
Tax provision	500	1000	Debtors	1000	1500
Proposed dividend	150	200	Cash	350	1570
	<b>7550</b>	<b>10420</b>		<b>7550</b>	<b>10420</b>

Additional information:

- (i) Machinery costing Rs.500 (accumulated depreciation Rs.300) was sold for Rs.100.  
(ii) Tax paid during the year Rs.600.

14 From the following detail find out –

- (i) Contribution per unit (ii) BEP (iii) Margin of safety (iv) Profit  
(v) Volume of sales to earn a profit of Rs.24000.

Total Fixed cost Rs.18000  
Total Variable cost Rs.30000  
Total Sales Rs.60000  
Units sold Rs.20000.

15 From the following data, which product would you recommend to be manufactured in a factory time being the key factor?

Particulars	Per unit of product –A	Per unit of product-B
Direct material	Rs.24	Rs.14
Direct labour at Re 1 per hour	2	3
Variable overheads at Rs.2 per hour	4	6
Selling price	Rs.100	110
Standard time to produce	2 Hours	3 Hours

\*\*\*\*