

FACULTY OF MANAGEMENT
MBA (CBCS) I - Semester Examination, March 2023
Subject: Accounting for Management
Paper No. MB – 102

Time: 3 Hours

Max. Marks: 70

PART – A**Note: Answer all the questions.****(5 x 4 = 20 Marks)**

1. Types of Accounts
2. Outstanding Expenses
3. Turn over ratios
4. Tax Planning
5. Margin of Safety

PART – B**Note: Answer all the questions.****(5 x 10 = 50 Marks)**

6. (a) Explain the Significance of Accounting Standards? Mention few Accounting Standards.

(OR)

- (b) Prepare journal entries for the following transactions of a business called Pots for Pics in 2019:

- Aug 01 Hashini Iyer, the owner, invested Rs.57,500 cash and Rs.32,500 of photography equipment in the business
- Aug 04 Paid Rs.3,000 cash for an insurance policy
- Aug 07 Services are performed and clients are billed for Rs.10,000 received in cash
- Aug 13 Purchased office supplied for Rs.1,400 with Cash
- Aug 20 Received Rs.2,000 cash for interest
- Aug 24 Paid Rs.15,000 towards salaries
- Aug 29 In addition, the business acquires photography equipment. The purchase price is Rs.1,00,000, pays Rs.25,000 cash and signs a note for the balance.

7. (a) What is Depreciation? Explain the types of Depreciation techniques.

(OR)

- (b) The following balances were extracted from the books of Thomas as on 31st March, 2019,

Particulars	Rs.	Particulars	Rs.
Purchases	75,000	Capital	60,000
Returns Inward	2,000	Creditors	30,000
Opening Stock	10,000	Sales	1,20,000
Freight Inwards	4,000	Returns Outward	1,000
Wages	2,000		
Investments	10,000		
Bank Charges	1,000		
Land	30,000		
Machinery	30,000		
Building	25,000		
Cash at Bank	18,000		
Cash in Hand	4,000		
	2,11,000		2,11,000

Additional Information:

- (i) Closing Stock Rs.9,000
- (ii) Provide Depreciation @ 10% on Machinery
- (iii) Interest accrued on Investment Rs.2,000

8. (a) Describe the ratio analysis as a tool of financial analysis.

(OR)

(b)

Gross Profit	Rs.54,000
Shareholders equity	Rs.6,00,000
G/P Margin	20%
Credit Sales to Total Sales	80%
Total assets turnover	4 times
Average Collection period (360 day Year)	20 days
Current Ratio	1.8
Long term debt to equity	40%
Prepare the Balance Sheet.	

9. (a) What are the different types of Cost? Describe the components of Cost Sheet.

(OR)

(b) From the following calculate cash from operations:

Profit and Loss Account for the year ended 31st March, 2016

Particulars	Rs.	Particulars	Rs.
To Salaries	5,000	By Gross Profit	25,000
To Rent	1,000	By Profit on Sale of Land	5,000
To Depreciation	2,000	By Income-tax refund	3,000
To Loss on Sale of Plant	1,000		
To Goodwill written off	4,000		
To Proposed Dividend	5,000		
To Provision for tax	5,000		
To Net Profit	10,000		
	33,000		

10. (a) A firm can purchase a separate part from an outside source @ Rs.11 per unit. There is a proposal that the spare part can be produced in the factory itself. For this purpose, a machine costing Rs.1,00,000 with annual capacity of 20,000 units and a life of 10 years will be required. A foreman with a monthly salary of Rs.500 will have to be engaged. Materials required will be Rs.4 per unit and wages Rs.2. Variable Overheads are 150% of direct labour. The firm can easily raise funds @ 10% p.a. Advise the firm whether the proposal should be accepted.

(OR)

(b) Write the significance of CVP Analysis. How to calculate BEP?