

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

Time: 3 Hours

Max. Marks: 80

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

1. Define Accounting and explain the types of accounts.
2. Distinguish between capital and revenue expenditure.
3. What are the advantages of Ratio Analysis?
4. Write about Tax Evasion Vs. Tax Planning Vs. Tax Avoidance.
5. What is Break Even Point? How is it calculated?

PART – B**Note: Answer all the questions.****(5 x 12 = 60 Marks)**

6. (a) Explain the Accounting concepts and Conventions.

(OR)

- (b) Journalise the following transactions post them in the Ledger and prepare the trial balance of Ram

- Jan 1st Ram started business with a capital of Rs.10,000
 Jan 3rd He purchased goods from Mohan on credit Rs.2,000
 Jan 5th He paid cash to Mohan Rs.1,000
 Jan 7th He sold goods to Suresh Rs.2,000
 Jan 11th He received cash from Suresh Rs.1,000
 Jan 17th He further purchased goods from Mohan Rs.2,000
 Jan 20th He paid cash to Mohan Rs.1,000
 Jan 24th He further sold goods to Suresh Rs.2,000
 Jan 31st He received cash from Suresh Rs.1,000.

7. (a) Define the concept and explain the methods of Depreciation.

(OR)

- (b) The following are the ledger balance abstracted from the books of Mr. X, a business man:

	(Rs.)		(Rs.)
X's Capital	60,000	Sales Returns	4,000
X's Drawings	10,000	Discount – Debit	3,200
Bank Overdraft	8,400	Discount – Credit	4,000
Furniture and fittings	5,200	Taxes and Insurance	4,000
Business Premises	40,000	General Expenses	8,000
Creditors	26,000	Salaries	18,000
Opening Stock	44,000	Commission - Debt	4,400
Debtors	36,000	Carriage on Purchases	3,600
Purchases	2,20,000	Rent from Tenants	3,000
Sales	3,00,000	Bad Debts written off	1,600

Closing Stock was estimated at Rs.40,120. Write off Depreciation – Business Premises Rs.600 and Furniture and Fittings Rs.520. Allow interest on Capital at 5% and carry forward Rs.1,400 for unexpired insurance.

8. (a) Explain the classification of Ratios.

(OR)

- (b) Using the following data, complete the Balance Sheet below:

Gross Profit (20% of Sales)	Rs.60,000
Shareholders' Equity	Rs.50,000
Cash Sales to Total Sales	80%
Total Assets Turnover (Sales/Total Assets)	3 times
Inventory Turnover (to Cost of Sales)	8 times
Average Collection Period (360 days a year)	18 days
Current Ratio	1.6
Long - term debt to Equity	40%

BALANCE SHEET

Liabilities	(Rs.)	Assets	(Rs.)
Creditors		Cash	
Long term Debt		Debtors	
Shareholders' Equity		Inventory	
		Fixed Assets	
Total		Total	

9. (a) Explain the classification of Costs with examples.

(OR)

- (b) Following is the Balance Sheet of Wilson as on 31st March 2021:

Particulars	2020	2021	Particulars	2020	2021
Share Capital	7,00,000	6,00,000	Fixed Assets	11,00,000	8,00,000
Reserves and Surplus	2,00,000	1,10,000	Inventory	70,000	60,000
Long term Borrowings	3,00,000	2,00,000	Sundry Debtors	32,000	40,000
Current Liabilities	30,000	25,000	Cash	28,000	35,000
Total	12,30,000	9,35,000	Total	12,30,000	9,35,000

During 2021, a piece of machinery of the book value of Rs.80,000 was sold for Rs.65,000. Depreciation provided on Fixed Assets during the year amounted to Rs.2,00,000. Prepare a Cash Flow Statement.

10. (a) Describe the concept, types and process of Standard Costing.

(OR)

- (b) Following records are available from the accounting records of Praveen Ltd.

	Sales	Profit / Loss
Year	(Rs.)	(Rs.)
2020	25,000	5000 (Loss)
2021	75,000	5000 (Profit)

- Find out: (i) P/V Ratio (ii) Fixed Cost (iii) Marginal Cost for 2020 and 2021
(iv) B.E.P. (v) Margin of Safety for Profit of Rs.10,000

FACULTY OF MANAGEMENT
MBA (CBCS) I - Semester (Very Old) Examination, August 2023
Subject: Accounting for Management
Paper - MB – 102

Time 3 Hours

Max. Marks: 80

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

- 1 Suspense Account
- 2 Revenue Expenditure
- 3 Straight Line Method
- 4 Profitability Ratios
- 5 Balance Score Cord

PART – B**Note: Answer all the questions.****(5 x 12 = 60 Marks)**

- 6 (a) Explain Accounting concepts and conventions?
(OR)
 (b) On March 2018, Ram starts wholesale business. Following transactions taken up in the March 2018.
1. He started business with capital of Rs.15,000
 8. Bought goods from Bilal Rs.1,000 and by cash from XYZ Co. Rs.2,000.
 13. Sold goods to Rehman & Sons Rs.1,500 and Sale by Cash Rs.5,000.
 21. Paid Bilal and friends cash Rs.975, discount received Rs.25.
 28. Received cash from Rehman & Sons Rs.1,450, allowed him discount of Rs.50.
- 7 (a) Explain the provisions of the Indian Companies Act regarding preparation and presentation of Financial Statements.
(OR)
 (b) The following balances were extracted from the books of Thomas as on 31st March 2018. Prepare Trading Account., Profit & Loss Account, & Balance Sheet.

Particulars	Amount in Rs.	Particulars	Amount in 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	Return Outwards	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 Stocks Rs.9,000
- (ii) Provided Depreciation @ 10% on Machinery
- (iii) Interest accrued on Investment Rs.2,000.

- 8 (a) What do you mean by Ratio Analysis? Explain the importance of Ratio Analysis.

(OR)

(b) Given:

Current Ratio	=	2.8
Acid Test Ratio	=	1.5
Working Capital	=	Rs.65,000

You are required to calculate the following:

- (i) Current Assets
- (ii) Current Liabilities
- (iii) Liquid Assets

- 9 (a) Explain Tax Planning, Tax Avoidance and Tax Evasion.

(OR)

- (b) Following is the summary Cash Account of X Ltd. Prepare Cash Flow Statement for the current year ended March 31st in accordance with AS-3 using the direct method. The company does not have any Cash Equivalents.

Summary Cash Account for the current year ended March 31.

	Rs.		Rs.
Opening Balance	50,000	Payment to Supplier	20,00,000
Issues of Equity Shares	2,50,000	Purchased of Fixed Assets	2,00,000
Receipts from Customers	28,50,000	Overhead Expenses	2,00,000
Sale of Fixed Assets	1,00,000	Wages and Salaries	1,00,000
		Taxation	2,50,000
		Dividend	50,000
		Repayment of Bank Loan	3,00,000
		Closing Balance	1,50,000
	32,50,000		32,50,000

- 10 (a) Explain Cost Concepts and Classification of Costs?

(OR)

- (b) From the following particulars, calculate BEP

	Rs.
Sales	2,00,000
Variable Cost	1,20,000
Fixed Cost	30,000

Also calculate

- (a) New BEP, if Selling Price is reduced by 10%
- (b) New BEP, if Variable Cost is increased by 10%
- (c) New BEP, if Fixed Cost is increased by 10%.