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20MBA13

First Semester MBA Degree Examination, Feb./Mar. 2022 Accounting for Managers

CBCS SCHEME

Time: 3 hrs.

USN

Max. Marks:100

Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7. 2. Question No. 8 is compulsory.

1	a.	State the different types				(03 Marks)		
	b.	Explain briefly different	t concept of a	ccounting.		(07 Marks)		
	с.	Journalize the follow	ing transacti	ons in the books	of Mr. X f	or the month of		
		December 2020.						
		2020 Dec. 1 Started bu	isiness with c	ash of Rs.1,00,000.				
		2020 Dec. 3 Borrowed						
		2020 Dec. 4 Purchased	l goods worth	Rs.60,000 at a trade	e discount of 5%			
		2020 Dec. 6 Deposited						
		2020 Dec. 8 Sold good	ls to Z at a lis	t price of Rs.80,000	and trade discou	int allowed 3%.		
		2020 Dec.14 Payment i	made by Z an	d allowed him cash o	discount 5%.			
		2020 Dec.20 Withdraw	n for persona	l use Rs.1000				
		2020 Dec.22 Paid rent	in advance R	s.5000				
		2020 Dec.24 Received	commission	from ABC Traders R	.s.6,500			
		2020 Dec.28 Paid salar	ies Rs.15,000	· ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~ ~		(10 Marks)		
2	a.	What do you mean by F				(03 Marks)		
	b.	Explain the significance				(07 Marks)		
	c.	M/S ABC Ltd. presents			Carr			
		Particulars	Amount	Particulars	Amount			
		Equity capital	10,00,000	Fixed Assets	10,00,000			
		Reserve fund	1,00,000	Stock	4,00,000			
		Debentures	3,00,000	Prepaid expenses	1,00,000			
		Overdraft	2,00,000	Debtors	2,00,000			
		Creditors	3,00,000	Cash	2,00,000			
		Total	19,00,000	Total	19,00,000			
		Compute: (i) Current r		(ii) Acid test ratio	(iii) Debt ea			
		(iv) Stock to working ca	apital ratio	(v) Proprietary ratio	0	(10 Marks)		
3	a.	Explain the convention	of conservati	sm.		(03 Marks)		
	b.							
		31 st March 2020. Calcu	late trend per	centages. (Rs. in lakhs)			

II 2020. Calculate tiel	iu percenta	1500.	(100. 11	I Ianito)
Particulars	2016-17	2017-18	2018-19	2019-20
Cash	100	120	80	140
Debtors	200	250	325	400
Stock	300	400	350	500
Other current assets	50	75	125	150
Land	400	500	500	500

(07 Marks)

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c. Following are the summarized balance sheets of company as on 31-3-2019 and 31-3-2020.

	31-3-2019	31-3-2020
Capital and Liabilities		AV
Share capital	5,00,000	5,00,000
General Reserve	1,50,000	1,25,000
Profit and Loss A/C	76,500	76,250
Term Loan	1,55,000	1,75,000
Sundry Creditors	2,31,250	2,75,000
Provision for taxation	76,250	84,250
A second second second second	11,89,000	12,35,500
Assets	1	here and the
Premises	4,75,000	5,00,000
Machinery'	4,22,500	3,75,000
Equipments	40,500	45,000
Stock	74,000	1,00,000
Debtors	1,60,000	2,00,000
Cash	7000	3000
Bank	10,000	ð
Goodwill	(m)	12,500
	11,89,000	12,35,500

Additional information:

(i) Interim dividend paid Rs.25,000.

(ii) Depreciation on premium is provided at 5%.

(iii) Machinery of Rs.75,000 was acquired during the year.

(iv) Income tax paid for the year was Rs.75,000.

Prepare cash flow statement in accordance with AS-3.

- 4 a. State the meaning of IFRS.
 - b. What is window dressing? Mention various ways of window dressing.
 - c. The total cost of manufactured components (on the basis of actual production of 90,000 units) is as under:

Direct material	100	
Direct labour	100	
Direct expenses	80	
Overheads (80% fixed)	600	
Total cost	880	

The same component is available in the market at Rs.450. Should the firm make it or buy it? (10 Marks)

5 a. What is Variance Analysis?b. Briefly explain different methods of Human Resources Accounting.

- c. PCT Ltd. provide the following details:
- Operating capacity = 60%Units produced = 600Materials = Rs.120 per unitLabour = Rs.50 per unitExpenses = Rs.15 per unitFactory expenses Rs.50000 (40% fixed)Administrative expenses Rs.35,000 (60% fixed)Prepare a flexible budget showing the total cost for 60% and 100% capacity

a. What is ROCE?

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(03 Marks)

(03 Marks)

(07 Marks)

- b. Discuss the significance of cost-volume profit relationship. (07 Marks)
- c. For producing a product, the standard quantity of material required was fixed at 10 kg and standard price was fixed at Rs.2 per kg. The actual quantity consumed was 12 kgs and the actual price paid was Rs.2.50 per kg. Calculate Material Price Variance, Material Quantity Variance and Material Cost Variance.

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(10 Marks)

- (03 Marks)
- (07 Marks)

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(07 Marks)

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a. Calculate Break Even Point in units:

Selling price Rs.200 per unit; Variable cost Rs.100 per unit; Total fixed cost Rs.96,000. (03 Marks)

- b. What do you mean by functional budget? Discuss any two such budgets.
- c. From the following income statement, calculate:

(i) Gross Profit Ratio
(ii) Net Profit Ratio
(iii) Operating Ratio
(iv) Operating Profit Ratio
(v) Stock Turn Over Ratio
(vi) Expenses ratio

(iv) Operating Profit Ratio (v) Ste	ock Turn O	ver Ratio	(V)
Sales		5,00,000	
Less: Opening stock	76,250		
Purchases	3,22,250		
	3,98,500		
(–) Closing stock	98,500	3,00,000	
Gross profit		2,06,000	
Add: Non-operating income		6000	
64		2,06,000	
Less: Expenses :		Gay	
Administration exp	1,01,000		
Selling and distribution exp	12,000	8	
Interest paid	7,000		
Loss on sale of shares	2,000	1,22,000	
Net Profit		84,000	

(10 Marks)

Case Study: (compulsory)

The following are the balances of Anup & Co. as on 31 March 2020.

Particulars	Dr.	Particulars	Cr.
Premises	30,72,000	Share capital	40,00,000
Plant	33,00,000	12% Debentures	30,00,000
Stock	7,50,000	Profit and Loss A/C	2,62,500
Debtors	8,70,000	Bills Payable	3,70,000
Goodwill	2,50,000	Creditors	4,00,000
Cash & Bank	4,06,500	Sales	41,50,000
Calls in arrears	75,000	General Reserve	2,50,000
Interim dividend paid	3,92,500	Bad debts provision	35,000
Purchases	18,50,000	(1-4-2019)	100 C 100 C
Preliminary expenses	50,000	and the second sec	1 C C C C C C C
Wages	9,79,800		
General expenses	68,350	GY .	
Salaries	2,02,250		
Baddebts	21,100	2. Contraction (1997)	
Debenture interest paid	180,000		
	1,24,67,500		1,24,67,500

Additional information:

(i) Depreciation plant by 15%.

(ii) Half year debenture interest is due.

(iii) Create 5% provision on debtors for doubtful debts.

(iv) Provision for income tax 50%.

- (v) Stock as on 31^{st} March 2020 Rs.9,50,000.
- (vi) Write off Rs.5,000 from preliminary expenses.

Prepare final accounts of the company as per Schedule III to the Companies Act, 2013.

(20 Marks)

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