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22MBA13

First Semester MBA Degree Examination, Jan./Feb. 2023 Accounting for Managers

Time: 3 hrs.

Max. Marks: 100

Note: 1. Answer any Four questions from Q.No. 1 to Q.No. 7.

2. Question No. 8 is compulsory

3. M : Marks , L: Bloom's level , C: Course outcomes.

		M	L	C			
Q.1	a.	Define Accounting.		3	L1	CO1	
	b.	Differentiate between Trade discount and Cash discount.		7	L2	CO1	
	c.	Journalize the following transactions in the books of Mr. X.		10	L4	CO2	
		01/06/2017	Mr. X started business with cash Rs 45,000/-				
		01/06/2017	Paid into Bank Rs 25,000/-				
		02/06/2017	Goods purchased for cash Rs 15,000/-				
		03/06/2017	Purchase furniture and payment made by cheque Rs 5000/-				
		08/06/2017	Sold goods for Arvind Rs 4000/-				
		10/06/2017	Goods purchased from Amith Rs 7000/-				
		12/06/2017	Goods returned to Amith Rs 1000/-				
	15/06/2017	Goods returned to Arvind Rs 200/-					
	18/06/2017	Cash received from Arvind Rs 3760/- and discount allowed to him Rs 40.					
	28/06/2017	Cash paid to Amith in full settlement of his account for Rs 5940/-					
Q.2	a.	What is Forensic Accounting?		3	L1	CO1	
	b.	Explain the advantages and disadvantages of Ratio Analysis.		7	L2	CO2	
	c.	Prepare a three column cash book for the following transaction of Mr. X.		10	L5	CO2	
		April 1	Balance of each Rs 7500 and in Bank Rs 13,000/-				
		3	Bought goods for cash Rs 1500/-				
		9	Received from Rajan a cheque of Rs 1350 and allowed him discount of Rs 50/-.				
		11	Above cheque is sent to Bank for collection.				
		15	Paid to Arjun and Company Rs 2250/- by cheque and he allowed a discount of Rs 70/-				
		20	Paid into Bank.				
		28	Bought office furniture and paid by cheque Rs 2,200/-				
	29	Withdraw cash for payment of LIC policy premium Rs 700/-					
	30	Received from Cash Sales Rs 1750/-					
Q.3	a.	What is the Accounting Equation Concept?		3	L1	CO1	
	b.	Explain the several methods of Valuation for HRA.		7	L2	CO2	

	c.	Prepare Cash flow statement from the following Balance sheet :	10	L6	CO3																																																												
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1. Interim dividend Rs 20,000/-																																																																	
2. Depreciation on Building Rs 20,000/- and on Machinery Rs 10,000/-																																																																	
3. Income tax paid Rs 35,000/-																																																																	
Q.4	a.	What are the causes of Depreciation?	3	L1	CO1																																																												
	b.	From the following particulars , prepare a Bank Reconciliation statement as on 31 st Dec. 2010. i) Balance as per cash book Rs 5800. ii) Cheque issued but not presented for payment Rs 2000/- iii) Cheque sent for collection by not collected upto 31 st December 2010 Rs 1500. iv) The Bank has wrongly debited the account of the firm by Rs 200. Which was rectified by them after 31 st Dec. Balance as per pass book is Rs 6,100.	7	L6	CO3																																																												
	c.	Y Ltd., purchased a second hand machine on 1/1/2017 for Rs 3,70,000/- and immediately spent Rs 20,000/- on its repair and Rs 10,000/- for installation. On 1/07/2018 it purchased another machinery for Rs 1,00,000/- On 1/7/2019, it sold the first machine for Rs 2,50,000/- and bought another for Rs 3,00,000/-. Depreciation was provided on the machinery at 10% on original cost (SLM) method annually on 31 st December of each year. With effect from 1 st Jan. 2020, the Company changed the method of charging depreciation and adopted WDV method and rate of depreciation is 15% p.a. Prepare Machinery account for 4 years and depreciation account for the same.	10	L6	CO2																																																												
Q.5	a.	What are the elements of cash flow statement?	3	L2	CO1																																																												
	b.	What are the methods of Windowdressing?	7	L3	CO1																																																												
	c.	From the following statements, calculate i) Gross Profit Ratio ii) Net Profit Ratio iii) Operating Ratio iv) Current Ratio v) Acid Test Ratio vi) Stock Turnover Ratio vii) Debtors Turnover Ratio.	10	L5	CO3																																																												

Trading and Profit & Loss A/c			
Particulars	Rs	Particulars	Rs
To, Opening stock	25,000	By, Sales	1,80,000
To, Purchases	1,05,000	By, Closing stock	15,000
To, G.P c/d	65,000		
	1,95,000		1,95,000
To, Administrative Expenses	23,000	By, G.P. b/d	65,000
To, S & D Expenses	10,000	By, Profit on sale of fixed asset	5,000
To, Financial Expenses	2,000		
To, Net Profit	35,000		
	70,000		70,000

Balance Sheet			
Liabilities	Rs	Assets	Rs
Share Capital	50,000	Land & Building	50,000
General Reserve	40,000	Plant & Machinery	20,000
Profit & Loss A/c	15,000	Stock	15,000
Creditors	12,000	Debtors	20,000
B.P	8,000	B.R	5,000
		Cash @ Bank	15,000
	1,25,000		1,25,000

Q.6	a. Distinguish between Tax evasion and Tax planning.	3	L3	CO1																																
	b. From the following Balance sheet, prepare Comparative Balance sheet of Sun Ltd.	7	L5	CO3																																
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	c. Explain the end uses of Accounting Information.	10	L2	CO1																																

Q.7	a.	Explain the importance of Bank reconciliation statement.	3	L3	CO1																																																																
	b.	The following is the Trial Balance as on 31 st Dec. 2017, prepare by an incompetent accountant. You are required to rewrite in its correct form.	7	L5	CO2																																																																
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	c.	What are the concepts of Accounting? Explain.	10	L2	CO1																																																																
Q.8	CASE STUDY :		20	L6	CO3																																																																
	From the following information prepare Final Account in vertical form for XYZ, Limited for the year 2022.																																																																				
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Goodwill	10,500
Manufacturing Expenses	1,600
Directors fees	300
Dividend on shares	2,250
Trade Expenses	120
Purchase	14,210
Preliminary Expenses	500
Return Outward	730
Discount	265
Return Inward	420

Additional Information :

- 1) Stock on 31st Dec. Rs 8,100.
- 2) Provide depreciation on Plant and Machinery @ 10%.
- 3) Write off half of preliminary expenses and make reserves for Bad debts upto Rs 400/-.
- 4) Transfer Rs 1000/- to General reserve.
- 5) Ignore Corporate tax on dividend.