

CBCS SCHEME

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22MBA13

First Semester MBA Degree Examination, Dec.2023/Jan.2024

Accounting for Managers

Time: 3 hrs.

Max. Marks: 100

- Note:** 1. Answer any *FOUR* full 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.		03	L1	CO1																																																							
	b.	Prepare the Trial Balance of Rajan as on 31 st March 2023.		07	L6	CO2																																																							
		<table><tr><td>Particulars</td><td>Rs.</td><td>Particulars</td><td>Rs.</td></tr><tr><td>Capital</td><td>9,20,000</td><td>Cash at bank</td><td>1,45,340</td></tr><tr><td>Creditors</td><td>1,88,520</td><td>Bill receivables</td><td>58,440</td></tr><tr><td>Bills payables</td><td>69,300</td><td>Purchases</td><td>8,55,220</td></tr><tr><td>Sales</td><td>12,18,500</td><td>Carriage inwards</td><td>12,910</td></tr><tr><td>Provision for doubtful debts</td><td>13,200</td><td>Carriage outwards</td><td>8,000</td></tr><tr><td>Interest received</td><td>3,400</td><td>General expenses</td><td>60,850</td></tr><tr><td>Building</td><td>7,00,000</td><td>Insurance</td><td>7,830</td></tr><tr><td>Machinery</td><td>1,20,000</td><td>Bad debts</td><td>6,130</td></tr><tr><td>Furniture</td><td>16,400</td><td>Audit fees</td><td>4,000</td></tr><tr><td>Debtors</td><td>1,56,000</td><td>Travelling expenses</td><td>3,250</td></tr><tr><td>Opening stock</td><td>1,50,400</td><td>Discount paid</td><td>6,200</td></tr><tr><td>Cash in hand</td><td>9,880</td><td>Sale return</td><td>2,850</td></tr><tr><td></td><td></td><td>Investments</td><td>89,220</td></tr></table>				Particulars	Rs.	Particulars	Rs.	Capital	9,20,000	Cash at bank	1,45,340	Creditors	1,88,520	Bill receivables	58,440	Bills payables	69,300	Purchases	8,55,220	Sales	12,18,500	Carriage inwards	12,910	Provision for doubtful debts	13,200	Carriage outwards	8,000	Interest received	3,400	General expenses	60,850	Building	7,00,000	Insurance	7,830	Machinery	1,20,000	Bad debts	6,130	Furniture	16,400	Audit fees	4,000	Debtors	1,56,000	Travelling expenses	3,250	Opening stock	1,50,400	Discount paid	6,200	Cash in hand	9,880	Sale return	2,850			Investments	89,220
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	c.	From the following transaction of M/S Jarani Traders. Write up their cash book in Three column form as on 31 st March 2022.	10	L6	CO3																																																								
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Q.2	a.	Write a note on IFRS.	03	L1	CO1																																																								
	b.	Calculate Trend Percentage from the following figures of stock, sales and profit of ABC Ltd., by taking 2018 as base year.	07	L4	CO3																																																								
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	c.	Journalize the following transactions in the books Mr. Kishan.	10	L26	CO2																																																						
		<div> 2018, July 1 Started business with cash Rs.4,50,000 July 2 Paid into bank Rs.2,50,000 July 4 Goods purchased from Amith Lal Rs.1,25,000 July 6 Sold goods for Rs.75,000 July 8 Bought furniture for cash Rs.48,000 July 12 Amith Lal is paid Rs.1,24,000 in full settlement of amount due to him July 13 Purchased government securities Rs.50,000 July 16 Goods purchased from Sundarlal Rs.63,500 July 18 Goods worth Rs.25,000 damaged in transit a claim was made for same July 25 Received commission from RK Traders Rs.1000 </div>																																																									
Q.3	a.	What is Forensic Accounting? Mention its application.	03	L1	CO1																																																						
	b.	Discuss the reasons for window dressing.	07	L2	CO1																																																						
	c.	Liabilities and Assets of Western Manufactures Ltd., as on 1 st January 2022 and 31 st December 2022 are as follows:	10	L6	CO3																																																						
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Q.4	a.	Mention the uses of accounting information.	03	L1	CO1																																																						
	b.	<p>Prepare a bank reconciliation statement from the following particulars and show the balances as per cash book:</p> <p>(i) Balance as per pass book on March 31, 2021 overdrawn Rs.20,000.</p> <p>(ii) Interest on bank overdraft not entered in the cash book Rs.2,000.</p> <p>(iii) Rs.200 insurance premium paid by bank has not been entered in the cash book.</p> <p>(iv) Cheque drawn in the last week of March 2021, but not cleared till date for Rs.3000 + Rs.3500.</p> <p>(v) Cheques deposited into bank on February 2021, but yet to be credited on dated March 31, 2021 Rs.6,000.</p> <p>(vi) Wrongly debited by bank Rs.500.</p>	07	L6	CO2																																																						

	c.	Show the accounting equation on the basis of following transactions. (i) Y started business with cash Rs.90,000. (ii) Purchases goods on credit Rs.50,000. (iii) Purchased furniture for cash Rs.10,000. (iv) Sold goods costing Rs.20,000 for Rs.40,000. (v) Sold goods costing Rs.20,000 for Rs.42,000 on credit. (vi) Bought goods worth Rs.20,000 (Rs.15,000 paid in cash + balance on credit) (vii) Drawn for personal use Rs.5000 (viii) Paid for rent Rs.1000. (ix) Paid for salaries Rs.3000 (x) Paid to creditors Rs.40,000 (xi) Received from debtors Rs.12000.	10	L3	CO3																				
Q.5	a.	What is marshalling of balance sheet? Mention the methods.	03	L1	CO1																				
	b.	Write a note on Tax Planning, Tax avoidance and Tax evasion.	07	L2	CO1																				
	c.	Assume that a firm has owners equity of Rs.1,00,000. The ratios of firm are: Current debts to total debts 0.4 Total debts to owners equity 0.6. Fixed assets to owners equity 0.6. Total assets turnover ratio 2 times. Inventory turnover ratio 8 times. From the above information, compute the balance sheet. <table border="1"><thead><tr><th>Liabilities</th><th>Rs.</th><th>Assets</th><th>Rs.</th></tr></thead><tbody><tr><td>Current debts</td><td>----</td><td>Cash</td><td>----</td></tr><tr><td>Long term debts</td><td>----</td><td>Inventory</td><td>----</td></tr><tr><td>Owners equity</td><td>----</td><td>Fixed assets</td><td>----</td></tr><tr><td></td><td>-----</td><td></td><td>-----</td></tr></tbody></table>	Liabilities	Rs.	Assets	Rs.	Current debts	----	Cash	----	Long term debts	----	Inventory	----	Owners equity	----	Fixed assets	----		-----		-----	10	L4	CO3
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Q.6	a.	What is Green Accounting?	03	L1	CO1																				
	b.	Discuss the objectives of sustainability reporting in brief.	07	L2	CO1																				
	c.	Explain the method for valuation of Human Resource Accounting.	10	L2	CO1																				
Q.7	a.	Calculate debtors turnover ratio from the following information: Gross profit ratio = 20% on sales Total gross profit = 1,00,000 Cash sales = 1,20,000 Average debtors = 95,000	03	L4	CO2																				
	b.	X Ltd., brought a machine for Rs.30,000 on 1/4/2016. One more machine was purchased on 1/10/2016 for Rs.20,000. On 1/7/2017 a new machine for Rs.10000 added to the existing machine. On 1/1/2018, 1/3 rd of machine which was purchased on 1/4/2016 were sold for Rs.3000. Show the machinery account for 4 year ending 31/12 every year on WDV method. The company charged depreciation at the rate of 10% p.a.	07	L6	CO2																				
	c.	Briefly explain the accounting concepts with their significance.	10	L3	CO1																				

Q.8

Case Study: (compulsory)

20

L6

CO3

From the following Trial Balance of Hindustan Company Ltd., prepare Profit/Loss a/c and balance sheet in vertical format for 31st March 2023.

Particulars	Dr.	Cr.
Sales	-	21,00,000
Purchases	2,50,000	-
Share capital (equity share of Rs.10 each)	-	3,00,000
Opening inventory	1,25,000	-
Salary & wages	2,37,000	-
Cost of raw materials consumed	8,50,000	-
10% debentures	-	5,00,000
Trade receivables	5,50,000	-
General reserves	-	72,000
Rent	2,15,000	-
Staff welfare expenses	85,000	-
Commission on sale	2,10,000	-
Interest	55,000	-
Rates & Taxes	88,000	-
Surplus	-	86,000
Trade payables	-	1,92,500
Buildings	5,00,000	-
Depreciation in building	50,000	-
Bad debts	50,500	-
BOD	-	15,000
	32,65,500	32,65,500

Adjustments:

(i) Closing inventory Rs.1,85,000.

(ii) Create provision for taxation at 30%.

(iii) Transfer to general reserves Rs.15,000.

(iv) Directors proposed dividend of 3%

(v) Provide for outstanding rent Rs.12,500 and further provide bad debts at 5% on trade receivable.
