

D 12395

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Name.....

Reg. No.....

**FIRST SEMESTER M.B.A. DEGREE (REGULAR/SUPPLEMENTARY)
EXAMINATION, JANUARY 2022**

M.B.A.

BUSIC08—ACCOUNTING FOR MANAGERS

(2016 Scheme)

Time : Three Hours

Maximum : 36 Weighthage

Part A*Answer all questions.**Each question carries 1 weightage.*

1. What is journalising ?
2. What do you mean by cash flow statement ?
3. What is common size statement ?
4. Define depreciation.
5. What is Accounting Standards ?
6. Distinguish between Capital Expenditure and Revenue Expenditure.

(6 × 1 = 6 weightage)

Part B*Answer any four questions.**Each question carries 3 weightage.*

7. What are Accounting Standards? Explain their benefits.
8. From the following information prepare a Trading Account for the year ended 31 March 2019 :

| <i>Particulars</i> | <i>Rs.</i> |
|---------------------------|--------------|
| Stock as on 1-4-2018 | ... 20,000 |
| Purchases | ... 65,000 |
| Returns outward | ... 5,000 |
| Sales | ... 1,00,000 |
| Returns inward | ... 10,000 |
| Stock as on 31-3-2019 | ... 15,000 |
| Carriage inward | ... 6,000 |
| Duty and clearing charges | ... 4,000 |

Turn over

9. Given :

| | Rs. |
|------------------|---------------|
| Sales | ... 10,50,000 |
| Working capital | ... 1,50,000 |
| Fixed assets | ... 2,10,000 |
| Total assets | ... 5,25,000 |
| Capital employed | ... 3,50,000 |

Calculate :

- (i) Capital turnover ratio.
 - (ii) Fixed asset turnover ratio.
 - (iii) Working capital turnover ratio.
 - (iv) Total assets turnover ratio.
10. Explain the process of preparing the statement of changes in working capital.
11. From the following Profit & Loss Account of ABC Ltd. for the year ending 31 March 2019, you are required to compute cash from operations :

| <i>Particulars</i> | Rs. | <i>Particulars</i> | Rs. |
|---------------------------|------------|---------------------------|------------|
| To salaries | ... 10,000 | By Gross profit | ... 50,000 |
| To rent | ... 2,000 | By profit on sale of land | ... 10,000 |
| To depreciation | ... 4,000 | By income tax refund | ... 6,000 |
| To loss on sale of plant | ... 2,000 | | |
| To Goodwill written off | ... 8,000 | | |
| To proposed dividend | ... 10,000 | | |
| To provision for taxation | ... 10,000 | | |
| To Net Profit | ... 20,000 | | |
| | 66,000 | | 66,000 |

12. Since everything has some utility, explain the various utilities of cash flow statements.

(4 × 3 = 12 weightage)

Part C

*Answer any three questions.
Each question carries 4 weightage.*

13. From the following data construct a Balance Sheet :

| | |
|--|---------------|
| Gross Profit (20% of sales) | ... Rs.60,000 |
| Share holder equity | ... Rs.50,000 |
| Credit sales to total sales | ... 80% |
| Total assets turnover (on sales) | ... 3 times |
| Stock turnover | ... 8 times |
| Average collection period (360 days in a year) | ... 18 days |
| Current ratio | ... 1.6 : 1 |
| Long term debt to equity | ... 40% |

14. Explain Du Pont Analysis with the help of Du Pont Chart.
15. What is depreciation ? Explain the various methods of depreciation and their advantages and disadvantages.
16. Calculate the cash flow from operating activities from the following :

| <i>Particulars</i> | 31-3-2016 | 31-3-2017 |
|--------------------|-----------|-----------|
| Profit & Loss A/c | 60,000 | 65,000 |
| Debtors | 85,000 | 48,000 |
| Bills Receivable | 40,000 | 81,000 |
| General Reserve | 1,72,000 | 2,07,000 |
| Wages outstanding | 26,000 | 8,000 |
| Salaries prepaid | 8,000 | 10,000 |
| Goodwill | 70,000 | 60,000 |

17. From the following Balance Sheet of Sunrise Ltd. as on 31st March, 2019 prepare Funds Flow statement :

| Liabilities | 2018 (Rs.) | 2019 (Rs.) | Assets | 2018 (Rs.) | 2019 (Rs.) |
|-------------------|------------|------------|--------------|------------|------------|
| Share capital | 6,00,000 | 8,00,000 | Fixed assets | 3,80,000 | 4,20,000 |
| Reserves | 2,00,000 | 1,00,000 | Debtors | 2,10,000 | 3,00,000 |
| Retained earnings | 60,000 | 1,20,000 | Stock | 3,00,000 | 3,90,000 |
| Accounts payable | 90,000 | 2,70,000 | Cash | 60,000 | 1,80,000 |
| | 9,50,000 | 12,90,000 | | 9,50,000 | 12,90,000 |

Turn over

Additional Information :

- (i) The company issued bonus shares for Rs. 1,00,000 and for cash Rs. 1,00,000.
(ii) Depreciation written off during the year is Rs. 30,000

(3 × 4 = 12 weightage)

Part D**Compulsory question.***Carries 6 weightage.*

18. From the following balances, prepare Trading, Profit and Loss Account and Balance Sheet as on 31-03-2019 :

| Particulars | Dr. (Rs.) | Cr. (Rs.) |
|------------------------------|-----------|-----------|
| Capital | | 20,000 |
| Building | 15,000 | |
| Investments | 10,000 | |
| Furniture | 1,000 | |
| Car | 8,000 | |
| Purchase/ Sales | 94,000 | 1,40,000 |
| Returns | 500 | 1,000 |
| Debtors/ creditors | 15,000 | 4,800 |
| General expenses | 800 | |
| Cash | 300 | |
| Bank | 4,700 | |
| Rent | 4,000 | |
| Commission | 1,400 | |
| Rates & Taxes | 600 | |
| Bad debts | 200 | |
| Insurance | 400 | |
| Discount | 700 | 500 |
| Provision for doubtful debts | | 300 |
| Opening stock | 10,000 | |
| | 1,66,600 | 1,66,600 |

Additional information :

- (i) Outstanding expenses – Commission Rs. 100, Rent Rs. 400.
(ii) Insurance pre-paid Rs. 50.
(iii) Create provision for doubtful debts at 3% in debtors.
(iv) Stock as on 31-3-2019 is Rs. 15,000.
(v) Interest on investments at 5% due but not received.
(vi) Depreciate car by 10%, Furniture by 2%, building by 3%.
(vii) Provide interest on capital at 5%.

(1 × 6 = 6 weightage)