

D 72595

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Name.....

Reg. No.....

FIRST SEMESTER M.B.A. DEGREE EXAMINATION, DECEMBER 2019

(CUCSS)

M.B.A

BUS 1C 08—ACCOUNTING FOR MANAGERS

(2016 Admissions)

Time : Three Hours

Maximum : 36 Weightage

Part A

*Answer all questions.*

*Each question carries 1 weightage.*

1. What are the differences between Ledger and Journal.
2. What do you mean by Fund Flow Statement ?
3. State various types of profitability ratios.
4. State the cash flows from investing activities.
5. What do you mean by journal proper ?
6. Mention the features of Trading Account.

(6 × 1 = 6 weightage)

Part B

*Answer any four questions.*

*Each question carries 3 weightage.*

7. Explain different accounting concepts.
8. Prepare a three-column Cash Book from the following securities :

2018 December

- 1 Commenced business with 25,000 in cash.
- 5 Opened a bank account and deposited 15,000.
- 13 Arun paid 490 in full settlement of 500.
- 15 Bought goods for cash 1500.
- 18 Drew a cheque for personal use 200.
- 20 Drew for office use 4,000.
- 22 Bought goods for 1500 and paid by cheque immediately.
- 25 Received for cash sales 1,000.
- 28 Paid Sohan's account 400 by cheque less 2 %.
- 31 Interest on bank loan 5,000.

Turn over

9. How Investor will be benefited by Ratio Accounting ?
10. Following figures of XYZ Company are available for the year ended 31st December 2018 :
- Net Profit Before Interest and Tax Rs. 2,75,000 ; Net Profit after Tax Rs. 2,20,000 ; Net Profit after interest and tax 1,10,000 ; Preference Dividend Rs. 35,000 ; Capital Employed Rs. 11,00,000 ; Total Assets Rs. 12,65,000 ; Net worth or equity shareholders fund Rs. 7,50,000. Calculate : (a) Return on Capital Employed ; (b) Return on Total Assets ; and (c) Return on Shareholder's Fund.

11. State the difference between Fund Flow Statement and Cash Flow Statement.
12. The net profit after making a provision of Rs. 3,30,000 for Income Tax of Tata Ltd. for the year ended 31<sup>st</sup> March, 2018 amounts to Rs. 3,00,000. This figure of the net profit has been arrived at after taking into account the following items :

	Rs.
Depreciation on fixed assets ...	65,000
Preliminary expenses written off ...	7,000
Bad debts ...	1,000
Loss on sale of furniture ...	1,500
Profit on sale of long-term investments ...	5,000

Calculate Funds from Operations.

(4 × 3 = 12 weightage)

### Part C

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

13. Discuss the advantages and disadvantages of Fund Flow Statement.
14. Journalise the following transactions in the books of Mr. Rao.
- 2018 August 1<sup>st</sup> Started business with cash 1,00,000 and goods 50,000 and furniture 25,000.
- 2 Purchased goods from Mr. Singh of the list price of 25,000 at a trade discount of 12 %.
- 4 Sold goods to Mohan of the list price of 30,000 at 10 % trade discount.
- 6 Payment made to Singh by cheque.
- 7 Loan taken from bank 35,000.
- 8 Paid stationery 1,500.
- 10 Sold goods worth 15,000 less 10 % trade discount and 5 % cash discount. The sale proceeds are deposited into bank.
- 16 Cheque given to Singh returned as being dishonoured.
- 20 Received commission 2,000.
- 25 Withdrew cash for personal use 2,000.

Journal Entries in the books of Mr. Rao.



## Part D

Answer the compulsory question. 6 weightage.

18. From the following Trial Balance and Adjustments, you are required to prepare Trading and Profit and Loss Account for the year ended 31-12-2018 and Balance Sheet as on that date.

Particulars	Debit	Credit
Purchases/Sales	1,30,295	1,80,500
Cash in hand	500	—
Cash at bank	9,500	—
Stock as on 1-1-2018	40,000	—
Wages	22,525	—
Returns	2,400	195
Repairs	1,675	—
Debtors/Creditors	30,000	50,305
Bad debts	2,310	—
Discounts	—	530
Capital	800	37,500
Interest on loan	600	—
Salaries	8,000	—
Rent	2,800	—
Insurance	1,500	—
Charity	125	—
Machinery	16,000	—
<b>Total</b>	<b>2,69,030</b>	<b>2,69,030</b>

## Adjustments :

- Provide for depreciation on Machinery @ 5 %.
- Stock as on 31-12-2018 40,925.
- Salaries unpaid 800.
- Further bad debts 400 Make a provisional of 5 % on debtors for doubtful debts.
- Rent is paid for one year up to 31<sup>st</sup> March 2019.

(6 weightage)