

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)