

D 115592

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Name.....

Reg. No.....

**FIRST SEMESTER M.B.A. DEGREE [2016 SCHEME] EXAMINATION
JANUARY 2025**

M.B.A. (CUCSS)

BUS IC 08—ACCOUNTING FOR MANAGERS

Time : Three Hours

Maximum : 36 Weightage

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

1. What do you mean by journal proper ?
2. What are accounting concepts and conventions ? Is there any difference between them ?
3. What is meant by turnover ratios ? Give examples.
4. What is the position in India regarding the formulation and enforcement of accounting standards ?
5. What do you mean by statement of changes in working capital ?
6. Bring out the relationship between a journal and a ledger.

(6 × 1 = 6 weightage)

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

7. Mention the difference between Balance sheet and Trial Balance.
8. Distinguish between Fund flow statement and Cash flow statement.
9. What is meant by ratio analysis ? Explain its significance in the analysis and interpretation of financial statements.
10. Explain Accounting principles.
11. If current liabilities are Rs. 60,000, current ratio is 2.50 times and liquid ratio is 1.50 times ; calculate Current assets, Liquid assets and Stock in trade.

Turn over

12. Explain the following :

- a) Outstanding expenses.
- b) Capital expenditure.
- c) Bad debts.

(4 × 3 = 12 weightage)

Section C

Answer any **three** questions.

Each question carries 4 weightage.

13. Write down the differences between single account system and double account system.

14. Balance sheet of M/s Black and white as on January 1, 2015 and December 31, 2015 were as follows. Prepare Funds flow statement.

Balance sheet

<i>Liabilities</i>	1.1.15	31.12.15	<i>Assets</i>	1.1.15	31.12.15
Creditors	18,000	20,500	Cash	2,000	1,800
Bank loan			Debtors	17,500	19,200
(long term)	15,000	22,500	Stock	12,500	11,000
Capital	74,000	74,500	Land	10,000	15,000
			Building	25,000	27,500
			Machinery	40,000	43,000
	1,07,000	1,17,500		1,07,000	1,17,500

During the year drawings the proprietor for personal use amounted to Rs. 13,000. Provision for depreciation on machinery stood at Rs. 13,500 on January 1 and at Rs. 18,000 On December 31.

15. The following transactions relate to a business concern for the month of December 2016. Journalize them, post into ledger accounts, balance and prepare the trial balance.

- March 1 – started business with a capital of Rs. 9,000
- March 2 – purchased furniture for Rs. 300
- March 3 – purchased goods for Rs. 6,000
- March 11 – received order for half-of the goods from 'c'
- March 15 – delivered goods, 'c' invoiced Rs. 4,000

- March 17 – received order for the remaining half of the goods
 March 21 – delivered goods, cash received Rs. 3,800
 March 31 – paid wages of Rs. 300

16. Alpha and company has the following information for the year ending 31st March 2016 : Sales Rs.10,000, Depreciation Rs. 900, Other operating expenses Rs. 8,200. You are required to : Estimate the amount of funds generated during the year. If the amount of depreciation increases to Rs. 1,800 what would be its effect on funds generated during the year. Under what circumstances can the funds from operation be zero ?
17. Prepare a Trading and Profit and Loss account and a Balance sheet with the help of the following ratios.

Gross profit ratio	:	25 %
Net profit/sales	:	20 %
Stock turnover ratio	:	10
Net profit/capital	:	1/5
Capital to total liabilities	:	1/2
Fixed assets/capital	:	5/4
Fixed assets/ total current assets	:	5/7
Fixed assets	:	Rs. 10,00,000
Closing stock	:	Rs. 1,00,000

(3 × 4 = 12 weightage)

Section D

Compulsory question.

6 weightage.

18. The following is the Trial Balance of Mr. Akhil on 31st March, 2016 :

<i>Particulars</i>	Dr.	Cr.
Cash in hand	540	
Cash at bank	12,630	
Purchases	1,40,675	

Turn over

<i>Particulars</i>	Dr.	Cr.
Sales		2,58,780
Return inwards	2,680	
Return outwards		1,500
Wages	20,480	
Fuel and power	4,730	
Carriage on sales	3,200	
Carriage on purchases	2,040	
Stock (1st April 2015)	25,760	
Buildings	30,000	
Freehold land	20,000	
Machinery	20,000	
Patents	7,500	
Salaries	15,000	
General expenses	13,000	
Insurance	600	
Drawings	15,245	
Capital		82,000
Sundry debtors	14,500	
Sundry creditors		6,300
	3,48,580	3,48,580

Taking into account the following adjustments, prepare Trading and Profit and Loss account and the Balance sheet :

- Stock in hand on 31st March 2016 is Rs. 26,800
- Machinery is to be depreciated at the rate of 10 % and patents at the rate of 20 %
- Salaries for the month of March 2016 amounting to Rs. 1,500 were unpaid.
- Insurance includes a premium of Rs. 170 on a policy, expiring on 30th September 2016.

(1 × 6 = 6 weightage)