

A1077

Name.....

Register No.....

**NAIPUNNYA INSTITUTE OF MANAGEMENT AND INFORMATION
TECHNOLOGY (AUTONOMOUS)**

FIRST SEMESTER END SEMESTER EXAMINATION JANUARY 2026

M.B.A

BUS1C08 - ACCOUNTING FOR MANAGERS

Time:3 Hours

Maximum:60 marks

Part A

Answer **all** questions
Each question carries 2 marks

1. What is business entity concept? L1; CO1
2. What is the main objective of preparing a Trading Account? L2; CO1
3. State the meaning of trend analysis. L1; CO3
4. How do you treat income from dividend in fund flow statement? L1; CO3
5. Explain the term 'cash equivalents' with examples. L2; CO3

(5 × 2 = 10 marks)

Part B

Answer any **four** questions
Each question carries 4 marks

6. From the following particulars, calculate stock turnover ratio: opening stock Rs. 40,000, Purchases Rs. 120,000, Carriage on purchases Rs.10,000, Sales Rs. 200,000 and Closing Stock Rs. 30,000. L4; CO3
7. From the following information prepare a Profit and Loss account of Rajan & Bros., for the year ending 31st Dec., 2023.

Gross Profit	12000	Advertising	850	
Salaries	4500	Discount allowed	500	
Stationery	250	Discount received	700	
Insurance	200	Interest received	1000	
Carriage on Sales	800	Bad debts	200	L4; CO2

8. Calculate EPS from the following information. Equity share capital (Rs. 10each) Rs. 500,000 10 % Preference capital (Rs. 50 each) Rs. 400,000 Rate of Tax: 50% of net profit, Net Profit before tax Rs. 380,000. L4; CO3
9. How are non-operating incomes and expenses treated in a Fund Flow Statement? L2; CO2
10. What are the uses of cash flow analysis? L2; CO3
11. Explain Accounting Equation. L2; CO1

(4 × 4 = 16 marks)

Turn Over

Part C

Answer any **three** questions
Each question carries 8 marks

12. From the following balances calculate cash from operating activities.

	31-12-20	31-12-21
Bill Receivable	50,000	47,000
Debtors	10,000	12,500
Bills Payable	20,000	25,000
Creditors	8,000	6,000
Outstanding Expenses	1,000	1,200
Prepaid Expenses	800	700
Accrued Income	600	750
Income received in advance	800	250
Profit made during the year	-	70,000

L4; CO3

13. The following is the trial balance of Kumar Mohan as on 31 /12/2023.

Particulars	Debit	Credit
Plant and Machinery	45,000	
Freehold Premises	55,000	
Stock 1st January, 2023	36,500	
Salaries	7,600	
Purchases	65,000	
Sales		1,21,000
Furniture & Fittings	6,000	
Carriage inwards	1,675	
Carriage outwards	1,315	
Sales returns	2400	
Purchase returns		1365
Discount received		635
Discount allowed	430	
Wages	16,100	
Sundry Debtors	41,000	
Sundry Creditors		28,800
Kumar Mohan's Capital		1,10,000
Rent, Rates and Taxes	1,430	
Advertisement	2,400	
Cash in hand	450	
Cash at bank	2,500	
Drawings	3,000	
Loan from Rajesh		26,000
	2,87,800	2,87,800

The stock on 31st December, 2023 was valued at Rs. 30,000. Prepare Trading and Profit and Loss Account for the year ended 31st December, 2023 and Balance sheet as on that date. L4; CO2

14. Calculate Quick Ratio from the following: Debtors Rs. 200,000, B/R Rs. 50,000, Marketable Securities Rs. 100,000, Stock Rs. 180,000, Prepaid expenses Rs. 20,000, Cash Rs. 10,000, Bank Overdraft Rs. 1,75,000, Sundry creditors Rs. 2,30,000 and Bills payable Rs. 75,000 L4; CO3

15. From the following two balance sheets, prepare a schedule of changes in working capital:

	31.12.2020	31.12.2021
Capital and Liabilities:		
Share Capital	200,000	250,000
Trade Creditors	70,000	45,000
Retained Earnings	10,000	23,000
	2,80,000	3,18,000
Assets:		
Cash	30,000	47,000
Debtors	1,20,000	1,15,000
Stock in trade	80,000	90,000
Land	50,000	66,000
	2,80,000	3,18,000

L4; CO3

16. Analyze the techniques of preparing a Cash Flow Statement under the Direct Method. Illustrate with imaginary figures. L4; CO3

(3 × 8 = 24 marks)

Compulsory

17. Balance Sheet of M/s. Sindya and Bindya as on 1.1.2021 and 31.12.2021 were as follows:

	1.1.21	31.12.21		1.1.21	31.12.21
Creditors	40,000	44,000	Cash	10,000	7000
Sindya's Loan	25,000	-	Debtors	30,000	50,000
Loan from bank	40,000	50,000	Stock	35,000	25,000
Combined capital	1,25,000	1,53,000	Machinery	80,000	55,000
			Land	40,000	50,000
			Building	35,000	60,000
	2,30,000	2,47,000		2,30,000	2,47,000

During the year machine costing Rs. 10,000 (accumulated depreciation Rs. 3000) was sold for Rs. 5000. The provision for depreciation against machinery on 1.1.2021 was Rs. 25000 and on 31.12.2021 Rs. 40,000. Net profit for the year 2021 amounted to Rs. 45,000. You are required to prepare funds (Working capital) flow statement. L5; CO3

(1 × 10 = 10 marks)
