

FIRST SEMESTER M.B.A. DEGREE EXAMINATION, DECEMBER 2014
(CUCSS)

BUS 1C 09—ACCOUNTING FOR MANAGERS
(2013 Admission onwards)

Time : Three Hours

Maximum : 36 Weightage

Part A*Answer all the questions carries 1 weightage.*

1. What does the going concern mean _____.
2. AS-6 deals with depreciation accounting and applies to all depreciable assets, except _____.
3. Regularly used spare parts are usually carried as inventory and treated as _____.
4. Management accounting provides invaluable service to management in performing _____.
5. Tax paid is _____ of funds.
6. Provident Fund account comes under the group of _____.

(6 × 1 = 6 weightage)

Part B

Answer any six questions.
Each question carries 3 weightage.

7. Distinguish between the single entry and double entry system.
8. Differentiate between trading account and profit and loss account.
9. Explain the differences between Trail Balance and Balance Sheet.
10. Explain the limitations of accounting ratios.
11. Differentiate between cash flow and fund flow analysis.
12. Journalise the following transactions :

				Rs.
2013 April	1	Arul commenced with business with	21,000
	2	Bought goods for cash	...	9,200
	4	Sold goods on credit	...	5,600
	5	Purchased goods from Mani	...	3,300
	9	Received cash from Kannan	...	3,600

Turn over

			Rs.
2013 April	11	Paid Mani on account	2,100
	16	Sold goods to Manohar	3,500
	21	Cash sales	7,500
	26	Paid Mani	1,200
	29	Received cash from Manohar	3,500
	30	Paid rent	450
	30	Paid salaries to office staff	700

13. From the following balance sheets of B LTD, prepare sources and uses of funds statement for 1998 :

	31 st December 2013		31 st December 2012	
<i>Assets</i>		Rs.		Rs.
Cash	...	75,000		35,000
Accounts receivable	...	90,000		98,000
Merchandise inventory	...	1, 20,000		87,000
Long-term investments	...	10,000		15,000
Land	...	30,000		20,000
		<hr/>		<hr/>
		3,25,000		2,55,000
		<hr/>		<hr/>
<i>Liabilities and Stockholders</i>				
Equity accounts payable	...	45,000		50,000
Notes payable	...	35,000		20,000
Notes payable	...	20,000		—
Capital stock	...	1,50,000		1,25,000
Retained earnings	...	75,000		60,000
		<hr/>		<hr/>
		3,25,000		2,55,000
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14. From the following figures calculate the creditors turnover ratio and the average age of account payable :—

	Rs.		Rs.
Credit purchases during 1998	... 1,00,000	Bills payable on 1.1.1998	... 4,000
Creditors on 1.1.1998	... 20,000	Bills payable on 31.12.1998	... 6,000
Creditors on 31.1.1998	... 10,000		

(6 × 3 = 18 weightage)

Part C

Answer any two questions.
Each question carries 6 weightage.

15. Explain the Accounting concepts and conventions.
16. Explain the steps for creation of company in tally.
17. From the following Balance Sheets X LTD as on 31st December 1995 and 1996, you are required to prepare :
- (a) A schedule of Changes in Working Capital.
- (b) A Funds Flow Statement.

<i>Liabilities</i>	1995	1996	<i>Assets</i>	1995	1996
	Rs.	Rs.		Rs.	Rs.
Share capital	... 1,00,000	1,00,000	Goodwill	... 12,000	12,000
General Reserve	... 14,000	18,000	Building	... 40,000	36,000
Profit and Loss A/C	... 16,000	13,000	Plant	... 37,000	36,000
Sundry Creditors	... 8,000	5,400	Investments	... 10,000	11,000
Bills Payable	... 1,200	800	Stock	... 30,000	23,400
Provision for Taxation	... 16,000	18,000	Debtors	... 18,000	19,000
Provision for Doubtful Debts	... 400	600	Cash at Bank	... 6,600	15,200
	1,55,600	1,55,800		1,55,600	1,55,800

Turn over

The following additional information has also been given :

1. Depreciation charged on plant was Rs. 4,000 and on building Rs. 4,000.
2. Provision for taxation of Rs. 19,000 was made during the year 1996.
3. Interim dividend of Rs. 8,000 was paid during the year 1996.

(2 × 6 = 12 weightage)