



**HEA-161100020105** Seat No. \_\_\_\_\_

**M. B. A. (Sem. I) (CBCS) Examination**

**November / December – 2017**

**Accounting for Managers**

Time : 3 Hours]

[Total Marks : 70

**Instruction :** All questions carry equal marks.

- 1 Journalize the following transaction. Prepare ledger to posting account. Prepare trial balance. **14**

**Feb. 2016**

- 1 Purchased furniture of Rs. 4000 and machine of Rs. 2000 from ship
- 2 Paid telephone bill of Rs. 1750 and electricity bill of Rs. 2000.
- 3 Prepared a signboard of Rs. 400 for the shop to cash.
- 4 Received commission of Rs. 300 and paid interest Rs. 200.
- 5 Paid the bill of Gujarat Samachar Rs. 700.
- 6 Gave goods of Rs. 400 and cash Rs. 300 to charity.
- 7 Purchased scooter for Rs. 8000 and paid repairing charge 400 for personal use.
- 8 Paid insurance premium for shop Rs. 1000 and life insurance premium of Rs. 800.
- 9 Purchased electronic scale for Rs. 800.
- 10 Purchased a machine of Rs. 2000 from moonlight industries and paid 300 for installation.
- 11 Sold goods of Rs. 1000 to Anil for cash paid carriage charges of Rs. 30.
- 12 Settled the account of moonlight industries by giving a cheque of Rs. 1950.

- 2 (A) Explain the method of depreciation 7  
 (B) Discuss the users of accounting information. 7

OR

- 2 The following information is given as under regarding material 'M' which is used in factory : 14

Date	Particulars	Units	Total Rs.
15-01-2016	Receipts	250	312.50
22-01-2016	Receipts	100	130.00
24-01-2016	Receipts	50	67.50
05-02-2016	Issues	55	—
19-02-2016	Receipts	50	70.00
26-02-2016	Issues	350	—
28-02-2016	Receipts	100	135.00
03-03-2016	Issues	50	—

Prepare store A/C on the basis of calculation of stock according to FIFO, LIFO and WAC methods.

- 3 The particulars of Kanan Ltd. for the year 2015 and 2016 are given below. You are required to calculate ratio for both year (1) current ratio (2) stock turnover ratio (3) gross profit ratio (4) liquid ratio (5) debtors ratio (calculate 300 days for a year) (6) rate of return on capital employed (7) proprietary ratio. 14

Liabilities	2015	2016	Assets	2015	2016
Eq. share capital	1,00,000	1,25,000	Land	50,000	75,000
General reserve	12,500	15,000	Plant	57,500	55,000
Profit and loss A/c	10,000	7,000	Stock	10,000	12,500
Creditors	5,000	6,250	Debtors	7,500	10,000
Bills payable	3,750	7,500	Cash	5,000	7,500
Outstanding exps	1,250	3,750	Bills		
Bank over draft	7,500	5,000	receivable	2,500	5,000
			Primary exps.	7,500	5,000
	<b>1,40,000</b>	<b>1,70,000</b>		<b>1,40,000</b>	<b>1,70,000</b>

Trading profit and loss A/c :

Particulars	2015	2016	Particulars	2015	2016
Op. stock	5,000	10,000	Sales	62,500	1,12,500
Purchase	37,500	47,500	Closing stock	10,000	12,500
Administrative expense	7,500	10,000			
Selling expense	5,000	12,500			
Distribution expense	2,500	10,000			
Net profit	15,000	35,000			
	<b>72,500</b>	<b>1,25,000</b>		<b>72,500</b>	<b>1,25,000</b>

OR

- 3 (A) Explain the concept and classification of liabilities. 7  
 (B) Explain the economic concept of income. How 7  
 economic income differs from accounting income ?
- 4 (A) Define the term 'Asset'. Explain different types of 7  
 assets with suitable example.  
 (B) Explain the dividend. Explain the Types of dividend. 7

OR

- 4 From the following trial balance, prepare a Trading 14  
 Account, Profit and Loss Account and Balance Sheet 31<sup>st</sup>  
 December 2015 :

**Trial Balance as on 31<sup>st</sup> Dec, 2015.**

Debit side	Amt	Credit side	Amt
Purchase	16,000	Sales	30,000
Wages	6,500	Capital	10,655
Discount	1,300	Mortgage and	
Salaries	2,000	interest to date	3,050
Travelling expenses	500	Sundry creditors	2,100
Carriage inward	275		
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Insurance	150		
Commission	325		
Rent and rates	500		
Cash in hand	25		
Cash at bank	2,725		
Repairs	300		
Sundry expenses	55		
Mortgage interest	150		
Building	4,000		
Machinery	1,500		
Motor vehicles	500		
Opening stock (1-1-2015)	5,750		
Sundry debtors	3,250		
	<b>45,805</b>		<b>45,805</b>

Closing stock on 31<sup>st</sup> December 2015 was Rs. 6,075.

- 5** Write short notes : (Any **Two**) **14**
- (A) Classification of ratio
- (B) Good internal control system
- (C) Accounting concept.