



JBE-161100080102 Seat No. _____

M. B. A. (B & F) (Sem. I) (CBCS) Examination

December - 2019

Accounting for Managers

Time : Hours]

[Total Marks : 70

1 What is accounting? Explain concept and principles of accounting. 14

OR

1 Explain benefits and scope of accounting standard in India. 14

2 Journalise the following transactions in the books of shri Ganesh. 14

2018,		Rs.
April 1	Shri Ganesh started his business with cash	50,000
April 2	Purchased goods	5,000
April 3	Purchased goods for cash	10,000
April 4	Purchased goods from Mr. Sun for cash	15,000
April 5	Sold goods.....	6,000
April 6	Sold goods for cash.....	12,000
April 8	Sold goods to Mr. Sky for cash	18,000
April 9	Purchased goods from Mr. Moon.....	10,000
April 10	Purchased goods from Mr. Star on credit	20,000
April 11	Sold goods to Mr. Sea	12,500
April 12	Sold goods to Mr. Ocean on credit.....	25,000
April 13	Mr. Sea returned goods	2,500
April 15	Returned goods to Mr. Moon	2,000
April 16	Received from Mr. Sea.....	9,900
	Allowed him discount	100
April 17	Paid to Mr. Moon	7,880
	Discount allowed by him	120
April 29	Withdrew for personal use	1000
April 30	Paid salary to Mr. Sevakram, an employee.....	500
April 30	Paid rent to Mr. Estate, landlord.....	500

OR

- 2 (A) Explain accounting for merchandising transactions. 7
 (B) Explain the procedure for balancing a ledger account. 7
- 3 Explain the following : (Any Two) 14
 (1) Preference share capital
 (2) Fixed assets and depreciation
 (3) Internal control system
 (4) Inventories
- 4 Following is the Profit and Loss Account of Arya ltd. 14
 for the year ended 31st December, 2018.

Particulars	Rs.	Particulars	Rs.
To opening stock	1,00,000	By sales	5,60,000
To purchases	3,50,000	By closing stock	1,00,000
To wages	9,000		
To Gross profit c/d	2,01,000		
Total	6,60,000	Total	6,60,000
To administrative expenses	20,000	By Gross profit b/d	2,01,000
To selling and distribution expenses	89,000	By interest on investment (outside business)	10,000
To non-operating expenses	30,000	By profit on sale of investment	8,000
To net profit	80,000		
Total	2,19,000	Total	2,19,000

You are required to calculate :

- (1) Gross profit ratio
- (2) Net profit ratio
- (3) Operating ratio
- (4) Operating profit ratio
- (5) Administrative expenses ratio

OR

- 4 (A) What is ratio analysis? Explain different profitability and liquidity ratios. 7
 (B) Explain limitations of ratio analysis. 7

- 5 What is cash flow statement? Explain uses and significance of cash flow statement. 14

OR

- 5 The following details are available from a company : 14

Liabilities	31-12-2017	31-12-2018	Assets	31-12-2017	31-12-2018
Share capital	70,000	74,000	Cash	9,000	7,800
Debentures	12,000	6,000	Debtors	14,900	17,700
Reserve for			Stock	49,200	42,700
doubtful debts	700	800	Land	20,000	30,000
Trade creditors	10,360	11,840	Goodwill	10,000	5,000
P & L account	10,040	10,560			
Total	1,03,100	1,03,200	Total	1,03,100	1,03,200

In addition, you are given :

- (1) Dividend paid total Rs. 3,500.
- (2) Land was purchased for Rs. 10,000.
- (3) Amount provided for amortisation of goodwill Rs. 5,000.
- (4) Debentures paid off Rs. 6,000.

Prepare cash flow statement.