



BT-19MBA105

Seat No. _____

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

April - 2021

Accounting for Managers

Time : $2\frac{1}{2}$ Hours]

[Total Marks : 70

- Instructions :** (1) Attempt any five questions out of ten.
(2) All questions carry equal marks.

- 1 What is accounting ? Explain the concept, users and terminology of accounting.
- 2 Record the following transactions in the journal of PQR Furniture Marts.
2020
- Dec 1 Started business with cash Rs. 1,00,000.
Dec. 2 Deposited into bank Rs. 80,000.
Dec. 3 Purchased machinery for Rs. 50,000 from MNC and paid him by a cheque.
Dec 5 Paid installation charges for machinery Rs. 1,000.
Dec. 6 Purchased timber from Ajay of the list price of Rs. 10,000. He allowed 10% trade discount.
Dec. 11 Furniture costing Rs. 2,000 was used in furnishing the office.
Dec. 13 Sold furniture to Mitali of the cost price of Rs. 20,000 and allowed her 5% trade discount.
Dec. 17 Discounted a bill of exchange for Rs. 1,00,000 at 1% through bank.
Dec. 21 Received payment of a loan Rs. 20,000 and deposited Rs. 16,000 out of it into the bank.
Dec. 23 Received a cheque from Mitali for Rs. 18,400 in full settlement and sent the bank.
Dec. 25 Sent to Ajay in full settlement a cheque for Rs. 8,600.
Dec. 28 Mitali's cheque dishonored bank charges Rs. 100.
Dec. 29 Purchased machinery from Prem for Rs. 20,000 and paid him by means of a bank draft purchased from bank from Rs. 20,100.
Dec. 31 Paid wages Rs. 1,000 and rent Rs. 800.

- 3 What is liability ? Explain the concept and classification of liabilities.
- 4 Explain the institutions that influences Indian GAAP.
- 5 From the following information regarding of material, prepare inventory A/c as per FIFO, LIFO and Simple Average Method and WAC method.

Date	Particulars	Quantity	Rs. (per unit)
December 2020			
1	Purchased	300 units	Rs. 3
4	Purchased	600 units	Rs. 4
6	Issued	400 units	
8	Purchased	600 units	Rs. 4
9	Issued	1000 units	
13	Purchased	400 units	Rs. 5
24	Issued	200 units	

- 6 What is Preference share ? Discuss the types of Preference share.

- 7 The Balance Sheet of RIVA Ltd. stored as under :

Liabilities	Rs.	Assets	Rs.
Equity share capital		Land and Building	5,00,000
Rs. 100 each	3,00,000	Plant and Machinery	2,50,000
10% Preference share		Furniture	75,000
capital	3,00,000	Stock	30,000
General Reserve	1,00,000	Debtors	40,000
Profit and Loss A/c	50,000	Bills Receivable	15,000
10% Debentures	1,65,000	Cash / bank	35,000
Creditors	25,000	Preliminary expenses	15,000
Bills Payable	15,000		
Outstanding Expenses	5,000		
Total	9,60,000	Total	9,60,000

Additional information :

- (i) Total sales Rs. 4,50,000, Cost of goods sold Rs. 2,25,000 and Operating expenses (including financial expense) Rs. 75,000 and net profit Rs. 50,000 and taxes rate was 50%.
- (ii) Opening stock was Rs. 45,000.

Calculate the following ratios of the years :

- (1) Gross profit ratio
- (2) Net profit ratio
- (3) Stock turnover ratio
- (4) Debtors ratio (360 days for calculation)
- (5) Current ratio
- (6) Liquid ratio
- (7) Rate of return on equity share capital
- (8) Rate of return on capital employed
- (9) EPS
- (10) Creditors ratio.

8 What is Cash flow statement ? Explain the usefulness of cash flow statement.

9 What is bonus share ? Explain the types of bonus share.

10 From the following Trial Balance, prepare a Trading Account and Profit and Loss Account and Balance Sheet :

Trial Balance as on 31st March, 2020

Particulars	Debit Amt. (Rs.)	Credit Amt. (Rs.)
Capital		2,00,000
Stock 1 st April, 2019	20,000	
Purchases	64,000	
Sales		1,20,000
Sales return	2,000	
Wages	15,000	
Manufacturing Expenses	19,000	
Salaries	5,000	
Insurance	1,500	

Postage	300	
Advertisement	1,500	
Bad debts	500	
Bills Payable		14,000
Discount		800
Land and Building	80,000	
Plant and Machinery	90,000	
Furniture	2,000	
Debtors	23,000	
Creditors		45,000
Drawings	5,000	
Cash	1,000	
Bank	50,000	
Total	3,79,800	3,79,800

Adjustments :

- (1) Closing Stock on 31st March, 2020 was Rs. 30,000.
- (2) Depreciation on Land and Building @10%, Plant and Machinery at 10% and Furniture at 5%.
- (3) Outstanding Expenses : Salaries Rs. 2,000, wages Rs. 1,600.
- (4) Insurance paid for 15 months up to March 2020.