

GUJARAT TECHNOLOGICAL UNIVERSITY
MBA (PART TIME)– SEMESTER 1– EXAMINATION – WINTER 2018

Subject Code: 3519901**Date: 24/12/2018****Subject Name: Accounting For Managers (AFM)****Time: 10.30 A.M. to 1.30 P.M.****Total Marks: 70****Instructions:**

1. Attempt all questions.
2. Make suitable assumptions wherever necessary.
3. Figures to the right indicate full marks.

- Q.1** (a) Which financial statement provides the information about the financial performance of a firm? **14**
(b) What is Accounting Standards?
(c) What do you understand by the term Trial Balance?
(d) Explain the Straight Line Method of depreciation.
(e) Give the components of Financial Statement.
(f) Mention the types of account.
(g) Explain Trend Analysis.

- Q.2** (a) Define Accounting and describe the Accounting Process. **07**
(b) What do you understand by the term GAAP? Explain any two GAAP's. **07**

OR

- (b)** Journalise the following transactions: **07**
April 01 Mr. Sachin started business with Rs.40,00,000/=.
April 05 Paid into the bank Rs.5,00,000/=.
April 10 Purchased goods from Mr. Rohit worth Rs. 8,00,000/= for cash.
April 14 Paid Rs.50,000/= by cheque for purchase of machinery.
April 18 Paid Rs.7,500/= for installation of machinery.
April 24 Sold goods to Mr. Ganguly of the list price of Rs.10,00,000/= at a trade discount of 5%.
April 30 Mr. Ganguly returned 10% of the goods sold to him as they were not as per his specifications.

- Q.3** (a) Explain LIFO, FIFO and WAM methods of inventory valuation. **07**
(b) On 1st April, 2014 a firm purchased machinery worth Rs.15,00,000/=. On 1st October, 2016 it bought additional machinery worth Rs.3,00,000 and spent Rs.30,00/= on its installation. The accounts are closed each year on 31st March. Assuming the annual depreciation to be 10%, show the machinery account for 4 years under Written Down Value method.. **07**

OR

- Q.3** (a) "Ratio analysis is one of the important tools for financial statement analysis". Explain giving the relevance of ratio analysis using some of the important ratios. **07**
- (b) From the following details, prepare balance sheet with as much details as possible: **07**
- Stock Turnover ratio - 6 times
 - Net Worth Turnover ratio - 2 times
 - Fixed Assets Turnover ratio - 4 times
 - Gross Profit Margin - 20%
 - Creditors Velocity - 73 days
 - Debtors Velocity - 73 days
 - Gross Profit - Rs.60,000/=
 - Closing stock is Rs.5,000/= in excess of Opening stock
 - Reserve & Surplus - Rs.20,000/=

- Q.4** (a) Give in detail the format of Corporate Profit & Loss Statement (Vertical form) **07**
- (b) Give in detail the format of Corporate Balance Sheet (Vertical form) **07**

OR

- Q.4** (a) Discuss the objectives of IFRS and also its advantages. **07**
- (b) From the following balance, you are required to prepare a Trial Balance. **07**

Particulars	Amt. (Rs.)
Capital	25,000
Salary	6,000
Sales	47,000
Miscellaneous Expenses	1,000
Wages	7,800
Freight	400
Purchases	26,000
Return Inwards	500
Discount received	200
Commission paid	600
Postage	1,200
Accounts Receivable	30,000
Return Outwards	1,000
Accounts Payable	20,000
Plant & Machinery	13,000
Insurance	400
Opening Stock	9,000
General Reserve	6,800
Cash & Bank	4,100
Closing stock	6,000

Q.5

The Balance Sheet of ABC Ltd. as on 31/03/2015 and 31/03/2016 are as under:

Balance Sheet		
Assets	31/03/2015 (in Rs.)	31/03/2016 (in Rs.)
Fixed Assets	46,700	83,000
Stock	11,000	13,000
Debtors	18,000	19,500
Cash	2,000	2,500
Preliminary Expenses	1,000	500
	78,700	1,18,500
Liabilities		
Equity Share Capital	45,000	65,000
General Reserve	5,000	7,500
P&L A/c	10,000	15,000
11% Debentures	10,000	20,000
Creditors	8,700	11,000
	78,700	1,18,500

Additional information:

Depreciation on Fixed Assets for the year 2015-16 was Rs.11,700/=.

- (a) You are required to calculate the Cash Flow from Operating activities for ABC Ltd. **07**
- (b) Also, find out the Cash Flow from Investing activities and Cash Flow from Financing activities and Net increase or decrease in cash or cash equivalent. **07**

OR

Q.5

The following balances were extracted from the books of Mr. R. Kumar as on 31/03/2014:

Particulars	Dr. (Rs.)	Cr. (Rs.)
Capital	-	1,94,000
Purchases & Sales	4,14,000	5,51,400
Debtors & Creditors	72,500	38,600
Opening stock	41,200	-
Purchase return & Sales return	1,200	1,000
Bank	39,200	-
Drawings	46,000	-
Motor Van expenses	5,100	-
Motor Van	62,500	-
Rent	7,500	-
Salary	81,200	-
Reserve for Doubtful Debt	-	2,500
Bad Debt	2,300	-
General expenses	11,200	-
Discount allowed	10,500	-
Discount received	-	9,300
Insurance	2,400	-
	7,96,800	7,96,800

The following adjustments are required to be incorporated:

- Salary and Rent accrued but not paid Rs.8,200/= and Rs.1,500/= respectively.
- Insurance paid in advance Rs.400/=
- Maintain reserve for doubtful debt at Rs.3,000/=
- Motor Van to be depreciated at 10%
- Closing stock valued at Rs.50,400/=

- (a) You are required to prepare Trading Account and Profit & Loss Account for the year ended 31/03/2014. **07**
- (b) Also, prepare Balance Sheet as on 31/03/2014. **07**

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