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Total No. of Pages : 02

Total No. of Questions : 06

MBA Campus (Sem.-1)

ACCOUNTING FOR MANAGEMENT - I

Subject Code : MBA-103

M.Code : 51183

Time : 3 Hrs.

Max. Marks : 60

INSTRUCTIONS TO CANDIDATES :

1. SECTION-A contains SIX questions carrying TWO marks each and students have to attempt ALL questions.
2. SECTION-B consists of FOUR questions each carrying TEN marks each and student has to attempt ALL questions.
3. SECTION-C is consist of ONE Case Study carrying EIGHT marks.

SECTION-A**1. Write short notes on :**

- a) Accounting equation
- b) GAAPs
- c) Journal entries for Issue of shares at discount
- d) Methods for redemption of preference shares
- e) Creative accounting
- f) Insurance vs. assurance

SECTION-B

2. Differentiate between accounting concepts and conventions. Explain **any five** accounting concepts.
3. Arjun Ltd invited applications for 10000 shares of Rs.100 each at a premium of 5% payable as Rs.25 on application, Rs.45 on allotment (incl. premium) and Rs.35 on first and final call. The applications received for 9000 shares and all of these shares were accepted. All money dues were received except the call on 100 shares which were forfeited. Of these 50 shares were reissued @ Rs.90 as fully paid. Pass journal entries.



4. From the following information, prepare the Profit and loss Account of the National Bank for the year ended 31st March 2011 (figures in '000) :

Interest on loans Rs.518, Interest on cash credits Rs.446, Discount on bills discounted (net) Rs.390, Interest on Overdrafts Rs.108, Interest on Savings bank Account Rs.220, Interest on fixed deposits Rs.554, Commission, exchange and brokerage Rs.16.40, Rent, taxes and lighting Rs.36, Auditors fees Rs.2.40, Postage, telegrams and telephones Rs.2.80, Sundry charges Rs.2, Directors fees Rs.6, Printing and stationery Rs.0.40, Law charges Rs.1.40, payment to employees Rs.108, Locker rent Rs.0.70, Transfer fees Rs. 1.40, Depreciation on bank's property Rs.10 and Advertisement an publicity Rs.1.40. Additional information: Rebate on bills discounted Rs.98000 and provide for bad debts Rs.58000.

5. a) X Ltd issued 1000, 9% debentures of Rs.100 each. Write journal entries when they are issued (i) at par, (ii) at 20% premium and (iii) at 10% discount.
- b) On 1 January 2007, Pappu Ltd issued 1000, 6% debentures of Rs. 100 each repayable at the end of 4 year at a premium of 10%. It is decided to create a sinking fund for the purpose; the investment is expected to yield 5% net. Sinking fund table shows that Re.0.232012 invested annually amounts to Re.1 at 5% in 4 years. Investments were made in multiples of 100 only. On 31 December 2010, the balance at the bank was Rs.40000 and the investment realized Rs.82000. the debentures were paid off. Give journal entries and show ledger accounts except for debenture interest.

SECTION-C

6. W R publications was organized early in 2000 with authorization to issue 20000 shares of Rs. 100 par value preference shares and 1 million shares Re. 1 preferred stock. All of the preference shares were issued at par, and 300000 shares of common stock were sold for Rs. 20 per share. The preference stock pays a 10 percent cumulative dividend.

During first five years of operations (2000 through 2004) the company earned a total Rs. 4460000 profit and paid dividend of Re. 1 per share each year on the common stock. In 2005, however, the company reported a net loss of Rs 1750000 and paid no dividends.

- a) Prepare the stockholders equity section of the balance sheet at December 31, 2005.
- b) Drafts a note to accompany financial statements disclosing any dividends in arrears at the end 2005.

NOTE : Disclosure of identity by writing mobile number or making passing request on any page of Answer sheet will lead to UMC case against the Student.