

560

61303

I Semester M.B.A. Degree Examination, Feb. 2019  
(CBCS)  
**MANAGEMENT**  
Paper – 1.3 : Accounting for Managers

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

Answer any five :

(5×5=25)

1. Define the term Depreciation and state the factors which provides for Depreciation.

2. Explain the importance of Human Resource Accounting.

3. Journalise the following transactions of Ram and Sons for the year 2016.

June 1 Business started with ₹ 1,00,000 and cash deposited in bank ₹ 60,000

June 2 Machinery purchased from Karan for cash of ₹ 20,000

June 3 Furniture purchased from Mr. A on credit of ₹10,000

June 6 Goods sold to Rohit at ₹ 9,000

June 9 Goods returned by Rohit of ₹ 2,500

June 13 Sold goods for cash of ₹ 15,000

June 14 Bought goods for cash of ₹ 12,000

June 16 Cash received from Rohit of ₹ 4,000

June 20 Cash paid to Karim of ₹ 7,000.

June 24 Cash withdrawn from bank of ₹18,000

June 27 Paid for advertisement at ₹ 4,200

June 28 Paid rent of ₹ 1,200

June 30 Office stationery purchased for ₹ 2,000

June 30 Cash withdrawn from bank for his personal use ₹ 3,000.

P.T.O.



61303

-2-



4. The Fairdeal Granary was not maintaining a perpetual inventory system for its stocks until recently. Only physical inventory was taken at the end of each month. The physical inventory at the end of December, 2014, showed 200 bags of fine rice at ₹ 212.25 per bag.

Following purchases were made in January, 2015 :

3<sup>rd</sup> 400 bags at ₹ 218.00 per bag

10<sup>th</sup> 900 bags at ₹ 223.50 per bag

15<sup>th</sup> 400 bags at ₹ 220.00 per bag

Following issues are made

28<sup>th</sup> 700 bags

30<sup>th</sup> 300 bags

You are required to calculate the value of stock on 31<sup>st</sup> January, 2015 according to :

- First-in-First-out
- Last-in-First-out

5. On 1<sup>st</sup> April 2000, a firm purchased machinery for ₹ 2,00,000. On 1<sup>st</sup> October, 2000, Additional machinery costing ₹ 1,00,000 was purchased. On 1<sup>st</sup> October, 2001, the machinery purchased on 1<sup>st</sup> April, 2000 having become obsolete, was sold off at ₹ 90,000. On 1<sup>st</sup> October, 2002, new machinery was purchased for ₹ 2,50,000 while the machinery purchased on 1<sup>st</sup> October, 2000 was sold for ₹ 84,000 on the same day.

The firm provides depreciation on its machinery @ 10% p.a. on the original cost. It closes its books of accounts on 31<sup>st</sup> March each year. Show machinery account for the period of three accounting years ending 31<sup>st</sup> March, 2002.

6. From the information given below prepare flexible budget at 60 and 80 per cent capacities and fix the total overhead rates as a per cent on direct wages at these capacities.

	At 60% Capacity	At 75% Capacity	At 80% Capacity
Variable overheads :			
Indirect materials		7,500	
Indirect labour		22,500	





61303

Semi-variables overheads :

Electricity (40% fixed, 60% variable) 37,500

Repairs and maintenance

(80% fixed, 20% variable) 3,750

Fixed overheads :

Salaries 1,00,000

Insurance 5,000

Depreciation 25,000

Estimated direct wages, ₹ 40,250 at 75% capacity.

7. Mention the branches of Accounting and discuss briefly the scope and importance of each.

#### SECTION - B

Answer any three of the following questions, each question carries ten marks.

(3×10=30)

8. Explain the trends of accounting with the concepts :

i) IFRS and

ii) Forensic accounting.

9. From the following information of a company, prepare the Balance Sheet if its sales are ₹ 28,00,000.

Sales to net worth 2.1 times

Current debt to net worth 40%

Total debt to net worth 72%

Current ratio 2.7 times

Net sales of inventory 4.2 times

Average collection period 60 days

Fixed assets to net worth 50.2%



61303

**Balance Sheet**

Net worth

Long-term debt

Current debt

**Total**

Fixed Assets

Cash

Stock

Sundry debtors

**Total**

10. Ms. Jyothi of Star Oils Limited has collected the following information for the preparation of cash flow statement for the year ending 31-3-2015 :

(₹ in lakhs)

Net Profit	25,000
Dividend (including dividend tax) paid	8,535
Provision for Income tax	5,000
Income tax paid during the year	4,248
Loss on Sale of Assets (net)	40
Book Value of the Assets sold	185
Depreciation charged to Profit and Loss Account	20,000
Amortisation of Capital Grant	6
Profit on Sale of Investments	100
Carrying amount of Investments sold	27,765
Interest Income on Investments received during the year	2,506
Interest Expenses	10,000
Interest paid during the year	10,520
Increase in Working Capital (excluding Cash and Bank balance)	56,075

