

Code: 14E00104

MBA I Semester Supplementary Examinations June/July 2017

FINANCIAL ACCOUNTING FOR MANAGERS

(For students admitted in 2014, 2015 & 2016 only)

Time: 3 hours

Max. Marks: 60

PART - A

(Answer the following: (05 X 10 = 50 Marks))

- 1 What is the difference between single entry and double entry system?
OR
- 2 What is accounting? Give the importance and objectives of accounting.
- 3 What is ledger? What is meant by sub-division of ledger?
OR
- 4 What is trial balance? State the errors which cannot be disclosed by it.
- 5 What do you understand by good will? Under what circumstances does it arise? Explain and illustrate the different methods of calculating goodwill.
OR
- 6 What are the advantages and disadvantages of FIFO and LIFO methods of pricing the material issues?
- 7 Mention some of the differences between funds flow statement and cash flow statements.
OR
- 8 From the balance sheet of paliwal exports Ltd. prepare funds flow statement.

Liabilities	2015	2016	Assets	2015	2016
Creditors	1,60,000	2,50,000	Stock	2,00,000	2,70,000
O/S Expenses	10,000	12,000	Debtors	2,25,000	2,45,000
B/P	1,00,000	1,10,000	Prepaid expenses	25,000	22,000
Share capital	5,50,000	6,20,000	Cash	40,000	65,000
Store premium	50,000	80,000	Plant & machinery	7,00,000	8,80,000
P & LA/C	1,00,000	2,00,000	Good will	1,00,000	70,000
Debentures	3,00,000	2,00,000	Investments	1,80,000	1,80,000
General reserve	2,00,000	2,60,000			
Total	14,70,000	17,32,000	Total	14,70,000	17,32,000
- 9 What are the merits and limitations of ratio analysis?
OR
- 10 What is bank reconciliation statement? Explain its process.

Contd. in page 2

PART - B

(Compulsory question, 01 X 10 = 10 Marks)

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Case study:

The following is the profit and loss A/C of 'X' Ltd for the year ended on 31-12-2015.

	Rs.	Rs.
Net sales		30,00,000
Less cost of goods sold		
Opening stock	5,00,000	
Add: Purchases	20,00,000	
	25,00,000	
Less: Closing stock	7,00,000	18,00,000
Gross profit		12,00,000
Less: Operating expenses		4,80,000
Operating profit		7,20,000
Less: Interest charge		1,80,000
Profit before tax		5,40,000

Additional information as on 31-12-2015	Rs.
Current assets	9,75,000
Current liabilities	6,00,000
Fixed assets	5,25,000

From the above calculate the following ratios:

- (i) Cost of goods sold ratio.
- (ii) Operating profit ratio.
- (iii) Operating ratio.
- (iv) Stock turnover ratio.
- (v) Asset turnover ratio.
- (vi) Return on capital employed.
