

Code: 14E00104

MBA I Semester Supplementary Examinations December/January 2017/2018

FINANCIAL ACCOUNTING FOR MANAGERS

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

Time: 3 hours

Max. Marks: 60

SECTION – A

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

- 1 (a) Distinguish Book-keeping from accounting.
(b) "Accounting information is useful not only to owners but to many others"- Explain.

OR

- 2 (a) Write in brief the objectives of accounting.
(b) How does a business transaction differ from an event?

OR

- 3 What do you mean by journal? Why it is called the book of original entry? Give the rules and advantages of journalizing.

- 4 What do you mean by Trail Balance? Discuss the main objects, limitations and methods of preparing a Trail Balance.

- 5 On July 1, 2017 Granites Ltd. Purchased second hand machine for Rs. 40,000 and reconditioned the same by spending Rs. 6,000. On January 2006 a new machine was purchased for Rs. 24,000. On June 30, 2007 the machine purchased on January 1, 2016 was sold for Rs. 16,000 and another machine was installed at a cost of Rs. 30,000. The company writes off 10% on original cost every year on March 31. Show the machinery account update.

OR

- 6 From the following particulars prepare store ledger under LIFO method.

Date	Particulars
1-1-2015	4000 units of material purchased @ 4/- per unit
3-1-2015	500 units of material purchased @ 5/- per unit
6-1-2015	200 units of material issued
10-1-2015	6000 units of material purchased @ 4/- per unit
15-1-2015	6000 units of material issued
3-2-2015	5000 units of material issued
20-3-2015	2500 units of material issued

- 7 What do you mean by Funds Flow statement? Explain the objectives of funds flow statement.

OR

- 8 What do you mean by cash flow statement? Explain the objectives of cash flow statement.

- 9 What do you mean by ratio? Explain the types of ratios.

OR

- 10 Explain the limitations of ratio analysis.

Contd. in page 2

Code: 14E00104

SECTION – B

(Compulsory question, 01 X 10 = 10 Marks)

11

Case Study:

Following are the ratios relating to the trading activities of an organization.

Debtors velocity	3 months
Stock velocity	6 months
Creditors velocity	2 months
Gross profit ratio	20%

Gross profit for the year ended 31st December 2016 was Rs 5,00,000. Stock at the end 2016 was Rs 20,000 more than what is was at the beginning of the year. Bills payable and receivable were Rs 36,667 and Rs 60,000 respectively. You are asked to ascertain the figures of:

- (i) Sales.
- (ii) Sundry debtors.
- (iii) Sundry creditors.
- (iv) Stock.

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