

**Code No: MB1613 /R16**
**MBA I Semester Regular/Supplementary Examinations, Jan/Feb-2018**
**ACCOUNTING FOR MANAGERS**
**Time: 3 Hours**
**Max. Marks: 60**

*Answer Any FIVE Questions  
All Questions Carry Equal Marks  
Question No. 8 is Compulsory*

1. a What is accounting? State how accounting useful to different types of users? 6 M  
 b Explain the need for subsidiary Books (Ledgers)? And what are the advantages of trial balances? 6 M
2. a Explain the need for harmonizing Accounting Standards? 6 M  
 b What do you mean by adjusting entries? Why is it necessary to pass adjusting at the time of preparing final accounts? 6 M
3. a What is funds flow statement? Discuss the significance of fund flow Statement as a tool of financial analysis? 6M  
 b From the following information calculate 1) current ratio 2) quick ratio 3) Fixed assets ratio 4) Debt-equity ratio and 5) Proprietary ratio 6 M

Liabilities	Rs.	Assets	Rs.
Equity share capital	1.00.000	Cash in hand	2,000
6% Preference Share Capital	1.00.000	Cash at bank	10,000
7% Debentures	40,000	Bills receivable	30,000
8% Govt. loan	20,000	Investments	20,000
Bank Overdrafts	40,000	Debtors	70,000
Creditors	67,000	Stock	40,000
Proposed dividends	10,000	Furniture	30,000
Reserves	1,50,000	Land, Buildings	2,20,000
Provisions for tax	20,000	Machinery	1,00,000
Profit and loss a/c	20,000	Goodwill	35,000
		Preliminary expenses	10,000
	5,67,000		5,67,000

4. a Define cost accounting and explain the advantages of it? 6 M  
 b Explain the various methods of costing and elements of cost with examples? 6 M

**Code No: MB1613 /R16**

5. a A manufacturer has supplied the following information relating to one his product 6 M
- |                      |           |
|----------------------|-----------|
| Total variable costs | Rs.30,000 |
| Total sales          | Rs.60,000 |
| Units sold           | 20,000    |
| Total fixed costs    | Rs.18,000 |
- Calculate: 1.Contribution per unit, 2.Break-even point, 3.Margin of safety, 4. Profit, 5.Volume of sales to earn a profit of Rs.24,000
- b Explain the importance of Make or Buy Decision in uncertainty conditions? 6 M
- 6 a Journalize the following transaction with narration and post into ledgers 6 M
- |               |                           |           |
|---------------|---------------------------|-----------|
| 2015 April 1  | Received cash from ABC    | Rs.40,000 |
| 2015 April 5  | Purchased good from XYZ   | 15,000    |
| 2015 April 8  | Sold goods to MNP         | 25,000    |
| 2015 April 10 | MNP returned goods        | 500       |
| 2015 April 15 | Bought furniture from PQR | 10,000    |
- b Explain the Limitations of Financial Statements? 6 M
7. a Distinguish between funds flow statement and cash flow statement? 6 M
- b Explain the advantage of CVP analysis in decision making? 6 M

8. From the following Trail balance of ABC prepare trading and profit & loss a/c for the year ending 31<sup>st</sup> March 2015 and balance sheet on that data 12M

	Dr. Rs.	Cr. Rs.
Purchases	21,750	
Discount allowed	1,300	
Wages	6,500	
Salaries	2,000	
Travelling expenses	400	
Sales		35,000
Commission	425	
Carriage inward	275	
Administration expenses	105	
Trade expenses	600	
Interest	250	
Building	5,000	
Furniture	200	
Debtors	4,250	
Capital		13,000
Creditors		2,100
Cash	7,045	
	<u>50,100</u>	<u>50,100</u>

Adjustments:

Closing Stock was Rs.6, 000/- Depreciate buildings by 20%, create a provisions for bad debts at 10% on debtors, outstanding wages Rs.475.

\*\*\*\*\*

2 of 2