

Total No. of Pages : 03

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 has 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.
4. **All Questions are Compulsory.**

SECTION-A

- 1. Write short notes on :**

- Distinguish between journal and ledger.
- “Every debit must have a corresponding credit”*. Discuss.
- Forfeiture of Shares.
- Over-subscription of shares.
- Insurance vs. assurance.
- Window dressing.

SECTION -B

- Q2. What is accounting? Explain its characteristics and importance. Also discuss various branches of accounting.

Q3. The following are the figure extracted from the books of Friends Bank Limited, as on 31-3- 2019 :

Particulars	Rs.
Interest and discount received	37,05,738
Interest paid on deposits	20,37,452
Issued and subscribed capital	10,00,000
Salaries and allowances	2,00,000
Director's fee and allowances	30,0000
Rent and taxes paid	90,000
Postage and telegrams	60,286
Statutory reserve fund	8,00,000
Commission exchange & brokerage	1,90,000
Rent received	65,000
Profit on sale of investment	2,00,000
Depreciation on Banks's properties	30,000
Stationary expenses	40,000
Other expenses	25,000
Auditor's fee	5,000

Other Information :

- A customer to whom a sum of Rs. 10 lakhs had been advanced has become insolvent and it is expected that only 50% can be recovered from his estate.
- Also there were other debts, for which a provision of Rs. 1,50,000 was found necessary by the auditors.
- Rebate on bills discounted on 31-3-2018 was Rs. 12,000 and on 31-3-2019 was Rs. 16,000.
- Provide Rs. 6,50,000 for Income tax.
- The directors desire to declare 10% dividends.

Prepare the Profit and Loss Account of Friends Bank Ltd. for the year ended on 31-3-2019.

Q4. Glamour Limited invited application for 15,000 shares of Rs. 10 each issued at Rs. 11.50 payable as follows :

On application 1st July Rs. 7.50 per share

On allotment on 31 st July Rs. 2.00 per share

On First and Final Call on 31st Aug. Rs. 2.00 per share

Applications were received for 18,000 shares and it was decided to deal the same as follows in arrangement with Stock Exchange authorities :

- (a) To refuse allotment to applicants for 800 shares
- (b) To give full allotment to applicants for 2,200 shares
- (c) To allot the remaining shares pro-rata among other applicants
- (d) To utilise the surplus received on application in part payment of amounts due on allotment. An applicant to whom 40 shares were allotted, failed to pay the amount due on the First and final Call and his shares were forfeited on 31st Oct. These shares were reissued on 5th Nov. as fully paid at Rs. 9 per share.

Give journal entries including those relating to cash to record the above transactions.

- Q5. What do you mean by bonus shares? What are the circumstances of issuing bonus shares? Also discuss the SEBI Guidelines for Issue of Bonus Shares.

SECTION-C

- Q6. *Case Study*

A's goods in a warehouse are insured, B is the insurer. The goods are burnt. A recovers their full value of Rs. 1000 from B. Then A sues the warehouse keeper and recovers Rs. 1000 from him. B claims this amount from A but A refuses to make over the amount to B.

Question: How would you decide the dispute between A and B?

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.