

**FACULTY OF MANAGEMENT****M.B.A. (CBCS) I – Semester Examination, July / August 2017****Subject: Accounting for Management****Paper Code – MB – 102****Time: 3 Hours****Max.Marks: 80****Note: Answer all the questions from Part-A and Part-B.****Each question carries 4 marks in Part-A and 12 marks in Part-B.****PART – A (5x4 = 20 Marks)****[Short Answer Type]**

- 1 Explain about Trial Balance.
- 2 What is Capital Expenditure?
- 3 Explain the profitability ratios.
- 4 Balance score card – Briefly explain.
- 5 CVP analysis.

**PART – B (5x12 = 60 Marks)****[Essay Answer Type]**

- 6 a) What are the various accounting concepts and conventions?

**OR**

- b) From the following transactions write journal entries and post them into ledger in the Books of Bhaskar 2015.

2015		Rs.
March 1	Goods sold for cash	2,600
“ 2	Goods purchased for cash	200
“ 3	Purchase of goods on credit from Kumar	3,000
“ 4	Sale of goods to Manikyam on credit	4,000
“ 5	Cash received from Manikyam	2,500
“ 6	Cash paid to Kumar	2,000
“ 7	Furniture purchased for cash	300

- 7 a) Explain the depreciation concept and its methods.

**OR**

- b) From the following ledger balances prepare Trading, Profit and Loss account for the year ending 31-12-14.

	Debit Rs.	Credit Rs.
Opening Stock (1-1-2014)	2,000	
Purchases	18,000	
Sales		21,000
Wages	300	
Carriage inwards	100	
Carriage outwards	150	
Sales returns	2,000	
Purchase returns		1,000
Salaries	2,400	
Rent	600	
Discount	60	
General expenses	500	
Commission		1,800

Closing stock as on 31-12-2014 for Rs. 9,000.

- 8 a) From the following details, calculate
- Current ratio
  - Quick ratio
  - Inventory turnover ratio
  - Debtors turnover ratio
- |                  |              |
|------------------|--------------|
| Fixed Assets     | Rs. 1,00,000 |
| Stock            | Rs. 30,000   |
| Debtors          | Rs. 20,000   |
| Cash             | Rs. 40,000   |
| Prepaid expenses | Rs. 10,000   |
| Sales            | Rs. 20,000   |

**OR**

- b) XYZ Limited has 1,25,000 equity shares of Rs. 10 each and 58,000 preference shares of Rs. 10 each @ 11%. The profit after tax Rs. 3,45,000, depreciation is Rs. 88,000. The market price per share (equity) is Rs. 63 and the equity dividend paid is 18%. You are required to find:
- Dividend yield on equity share
  - EPS
  - Price – Earnings ratio and

9 a) Highlight the steps involved in the preparation process of cash flow statement.

**OR**

b) Compute cash provided from operations during the year 2015, from the following data:

Particulars	April 1, 2014 Rs.	March 31, 2015 Rs.
Sundry debtors	30,000	40,000
Sundry creditors	48,000	30,000
Outstanding expenses	3,000	6,000
Outstanding income	1,000	1,000
Stock in trade	55,000	60,000
Prepaid expenses	3,000	2,000
Accumulated depreciation (no retirements during the year)	50,000	60,000
Provision for doubtful accounts	1,500	2,000
Dividends payable	--	3,000
Bills receivable	10,000	12,000
Bills payable	8,000	6,000
Net income (as per profit & Loss A/c)	--	80,000

10 a) Explain the concept of fixed cost, variable cost and semi-variable cost.

**OR**

b) The following information relates to sales and profit & Loss of an article for July and August 2015.

	July Rs.	August Rs.
Profit	--	3,000
Loss	2,400	--
Sales	38,000	65,000

Calculate:

- 1 P / V Ratio
- 2 Fixed Cost
- 3 Break even sales volume
- 4 Profit or loss at Rs. 46,000 sales
- 5 Sales to earn a profit Rs. 5,000.

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