

**FACULTY OF MANAGEMENT****M.B.A. I – Semester (CBCS) Examination, December 2018 / January 2019****Subject: Accounting for Management****Paper Code – MB – 102****Time: 3 Hours****Max.Marks: 80****PART – A (5x4 = 20 Marks)****[Short Answer Type]****Note: Answer all the questions in not more than one page each.**

- 1 Define accounting.
- 2 Distinguish capital and revenue expenditure.
- 3 Common size statement analysis objectives.
- 4 Balance Score Card
- 5 Make or Buy decision.

**PART – B (5x12 = 60 Marks)****[Essay Answer Type]****Note: Answer all the questions by using internal choice in not exceeding four pages each.**

- 6 a) Discuss the significance of Accounting Standards in global accounting environment.  
**OR**
- b) Journalize the following transactions and prepare Ledger Accounts.
  - 1 Ram started business with a capital of Rs. 10,000
  - 2 He purchased goods from Mohan on credit Rs. 2,000
  - 3 He paid cash to Mohan Rs. 1,000
  - 4 He sold goods to Suresh Rs. 2,000
  - 5 He received cash from Suresh Rs. 1,000
  - 6 He purchased furniture from Mr. Laxman Rs. 5,000
  - 7 He deposited Rs. 2,000 in a bank
- 7 a) Explain the procedure involved in the preparation and presentation of financial statements.  
**OR**
- b) A firm purchases a plant for Rs. 10,000 on 1<sup>st</sup> January 2013. Installation charges are Rs. 2,000. Plant is estimated to have a scrap value of Rs. 1,000 at the end of its useful life of 5 years. You are required to prepare the plant account for five years charging depreciation according to straight line method.
- 8 a) Discuss the managerial uses and limitations of ratio analysis.  
**OR**
- b) Using the following information, compute the balance sheet items for a firm having a sale of Rs. 36 lakhs.
 

Sales / Total Assets	3	Sales / Debtors	15
Sales / Fixed Assets	5	Current ratio	2
Sales / Current Assets	7.5	Total Assets / Net worth	2.5
Sales / Inventories	20	Debt / Equity	1

- 9 a) Discuss the application areas of various tax planning and how it is different from tax avoidance and evasion.

**OR**

- b) From the following details, prepare a cash flow statement

**Balance Sheets**

Liabilities	2017 (Rs.)	2018 (Rs.)	Assets	2017 (Rs.)	2018 (Rs.)
Share Capital	10,000	15,000	Land	4,000	4,000
P&L A/c	5,000	8,000	Machinery	3,000	5,000
General Reserve	4,000	6,000	Stock	10,000	12,000
Creditors	8,000	12,000	Debtors	10,000	15,000
Bills payable	5,000	3,000	Cash	5,000	8,000
	32,000	44,000		32,000	44,000

Additional information:

During the year depreciation charged on machinery for Rs. 1,000 and dividend paid Rs. 2,000.

- 10 a) Draw a break-even chart and discuss the assumptions and utility of break-even analysis.

**OR**

- b) From the following details, find out:

- i) Contribution per unit
- ii) BEP
- iii) Margin of safety
- iv) Profit
- v) Volume of sales to earn a profit of Rs. 24,000.

Units sold	20,000
Total sales	Rs. 60,000
Total variable cost	Rs. 30,000
Total Fixed cost	Rs. 18,000

\*\*\*\*