

5. What is cash flow statement ? Discuss the various sources and uses of cash flows from operating activities.

UNIT – III

6. What is corporate financial reporting ? Explain the importance of disclosure of corporate financial reports.
7. What do you understand by the terms budget and budgetary control ? What are the advantages of budgetary control.
8. Write short note on :
- (a) Contribution
 - (b) Margin of safety
 - (c) Angle of incidence
9. What is balanced score card ? Discuss its basic components and uses in business organization.

Roll No.

12603

**MBA 2 Yr . 1st Semester (CBCS) 2019-20
New Scheme Examination – December, 2019**

ACCOUNTING FOR MANAGERS

Paper : 19IMG21C3

Time : Three Hours]

[Maximum Marks : 80

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Section-A is compulsory. Attempt any four questions from Section-B by selecting one question from each Unit. Each question carries equal marks.

SECTION – A

1. (a) What do you mean by accounting cycle ?
- (b) Is bank account is real account or personal account ? Explain why ?
- (c) Define turnover ratios in brief.
- (d) What is Depreciation ?
- (e) What do you understand by GAAP ?
- (f) Define budgetary control in brief.
- (g) What is break-even point ?
- (h) What is balance score card ?

SECTION – B
UNIT – I

2. What do you mean by accounting ? Discuss briefly the basic accounting concepts and fundamental consumptions.
3. From the following Trial Balance of V. Ltd. prepare Trading and Profit & Loss Account and Balance Sheet as on 31st December, 2018 :

| Dr. Balance | Amount (in Rs.) | Cr. Balance | Amount (in Rs.) |
|--|--------------------|-------------------------|--------------------|
| Purchases | 1,80,000 | Sales | 3,54,000 |
| Return Inwards | 4,500 | Return Outwards | 6,200 |
| Carriage on Purchases | 2,600 | Creditors | 28,000 |
| Carriage on Sales | 1,500 | Interest on Investments | 3,600 |
| Stock on 1st January, 2018 | 32,200 | Provision for bad debts | 2,900 |
| Cash | 3,000 | Commission received | 7,500 |
| Building | 1,50,000 | Sales Tax Collected | 6,000 |
| Machinery | 72,000 | | |
| Fuel and Power | 8,500 | A's Capital | 1,40,000 |
| Debtors | 81,500 | B's Capital | 90,000 |
| Investments | 36,000 | | |
| Rent | 4,000 | | |
| General Exp. (including insurance premium of Rs. 2,000 paid for one year ending 30th June, 2019) | 15,000 | | |
| Wages and Salaries | 21,000 | | |
| Sales Tax Paid | 4,400 | | |
| A's Drawing | 10,000 | | |
| B's Drawing | 12,000 | | |
| Total | 6,38,200 | Total | 6,38,200 |

Required :

1. Write off Rs. 1,500 as bad debts and create a provision for doubtful debts @ 5% on debtors.
2. Provide 2% for discount on debtors and creditors.
3. Depreciate building by 5% and machinery by 10%.
4. Rent is payable at the rate of Rs. 400 per month.
5. One third of the commission received is in respect of work to be done next year.
6. Interest on drawings is to be provided as follows :
Interest on A's Drawings Rs. 500 and Interest on B's Drawings Rs. 600.
7. Closing stock was valued at Rs. 56,700.

UNIT – II

4. The balance sheet of A Ltd as on 31st December, 2018 was as follows :

| Particular | Rs. | Particular | Rs. |
|----------------------|----------|--------------------------|----------|
| Equity Share Capital | 40,000 | Plant and Machinery | 24,000 |
| Capital Reserve | 8,000 | Land and Buildings | 40,000 |
| 8% Loan on Mortgage | 32,000 | Furniture and Fixtures | 16,000 |
| Creditors | 16,000 | Stock | 12,000 |
| Bank Overdraft | 4,000 | Debtors | 12,000 |
| Taxation : | | Investments (Short Term) | 4,000 |
| Current | 4,000 | Cash in Hand | 12,000 |
| Future | 4,000 | | |
| Profit and Loss A/c | 12,000 | | |
| | 1,20,000 | | 1,20,000 |

From the above compute (a) current ratio (b) quick ratio (c) debt equity ratio (d) proprietary ratio.