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MBA 1st Semester Examination

Accounting for Managers (N.S.)

MBA-106

Time : 3 Hours

Max. Marks : 60

The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary/continuation sheet will be issued.]

Note : All questions are compulsory in Section-A, which carry 2 marks each. Attempt any Four questions from Section-B carrying 5 marks each and attempt any Two questions from Section-C, which carry 10 marks each.

SECTION - A (Compulsory)

1. (a) Subsidiary books
- (b) Dual Entry System
- (c) Marginal cost & costing
- (d) Debt Equity Ratio
- (e) Contribution
- (f) Solvency Ratio
- (g) Social cost benefit analysis
- (h) Angle of Incidence
- (i) Direct expenses Vs Indirect expenses
- (j) Trade discount Vs Cash discount. **(10×2=20)**

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SECTION - B

Attempt any four questions. Each carrying five marks.

2. Define Human Resource Accounting. Enlist advantages of Human Resource Accounting in current era.
3. Describe the format of Balance sheet according to horizontal form.
4. Differentiate Fund Flow Statement with Cash Flow Statement with examples.
5. Prepare ABC Concern Journal for April 2012:-
 - (i) Cash in Hand Rs. 8000, Debtors :- Ganpat Rai Rs. 6000, Rajesh Rs. 5000, Creditors:- Ram Rs. 8000 & Satish's loan Rs. 3000.
 - (ii) April 1-Received cash for Rajesh Rs. 3000, write off bad debts 2000.
 - (iii) April 10-Proprietor withdrew cash for personal use 1000.
 - (iv) April 14-Sold goods to Sham (Trade discount @ 5% to be allowed) 2500.
 - (v) April 25-Goods given as charity costing 500
6. From the data calculate (a) Gross Profit Ratio (b) Net profit Ratio (c) Return on Total Assets (d) Working Capital Ratio (e) Net worth to Debt.

<i>Particulars</i>	<i>Rs.</i>	<i>Particulars</i>	<i>Rs.</i>
Sales	2520000	Fixed Assets	1440000
Cost of sales	1920000	Net Worth	1500000
Net Profit	360000	Debt	900000
Inventory	800000	Current Liabilities	600000
Other Current Assets	760000		

7. What is the need and importance of Social accounting in modern era? **(4×5=20)**

SECTION - C

Attempt any two questions. Each question carrying ten marks.

8. From the Following Trial balances of XYZ Concern prepare a Trading and Profit & Loss account and Balance Sheet for year ended 31st March 2012.

<i>Trail Balance</i>	<i>Dr.</i>	<i>Cr.</i>
<i>Particular</i>	<i>Rs.</i>	<i>Rs.</i>
Purchases	40,000	
Sales		50,000
Wages	800	
Salaries	2,000	
Machine	10,000	
Interest	700	
Opening Stock	7,000	
Cash	2,000	
Debtors	10,000	
Creditors		10,000
Bad Debts	600	
Building	18,000	
Capital		30,000
Sales Return	2,000	
Commission		2,100
Provision for bad debts		1,000
	93,100	93,100

Adjustments:

- Stock on 31 March 2012 was valued at Rs. 20,000
- Outstanding Wages and Salaries Rs. 400 and Rs. 600 respectively.

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- Further Bad debts Rs. 500
- Create Reserve for bad debts @5% on debtors.
- Commission due but not received Rs. 900
- Depreciate Machine by 10% p.a.

9. Explain in detail, the different methods used for analysis and interpretation of financial statements.
10. Following is the Balance Sheet of ABC Ltd. You are required to prepare Fund Flow Statement.

<i>Liabilities</i>	<i>2010</i>	<i>2011</i>	<i>Assets</i>	<i>2010</i>	<i>2011</i>
Share Capital	2,00,000	2,50,000	Land & Building	2,00,000	1,90,000
General Reserve	50,000	60,000	Plant	1,50,000	1,74,000
Profit and Loss A/c	30,500	30,600	Stock	1,00,000	74,000
Bank Loan (Short-term)	70,000	–	Debtors	80,000	64,200
Creditors	1,50,000	1,35,200	Cash	500	600
Provision for Taxation	30,000	35,000	Bank	–	8,000
	5,30,000	5,10,800		5,30,000	5,10,800

Adjustments:

- Depreciation was written off plant Rs. 14,000 in 2011.
- Dividend of Rs. 20,000 was paid during 2011.
- Income Tax provision made during the year was Rs. 25,000.
- A piece of land has been sold during the year at cost.

You are required to prepare a statement showing sources and application of funds for the year 2011 and schedule of change in Working Capital.

11. What is the impact of price level changes on Financial Statements? Discuss its various techniques and its advantages in current era. **(10×2=20)**