

[Total No. of Questions - 11] [Total No. of Printed Pages - 4]  
(2064)

14870

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) Money Measurement Concept.
- (b) Every Debit must have corresponding Credit. Explain
- (c) Marginal cost & costing
- (d) Debt Equity Ratio
- (e) Margin of Safety
- (f) Interest Coverage Ratio
- (g) Compensating Errors in Trial Balance.
- (h) Angle of Incidence
- (i) Balance Sheet Vs Fund Flow Statement
- (j) Trade discount Vs Cash discount (10×2=20)

14870/110

[P.T.O.]

**SECTION - B**

Attempt any four questions. Each carrying five marks.

2. Explain the process of Accounting Cycle with the help of suitable examples.
3. What is the impact of Price level changes on Financial Statements? Explain.
4. 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     |                     |            |

5. From the following data, you are required to calculate:

|           | <i>Sales</i> | <i>profit/loss</i> |
|-----------|--------------|--------------------|
| Period I  | 7,00,000     | 10,000 loss        |
| Period II | 9,00,000     | 20,000 profit      |

Calculate:

- (a) P/V Ratio
- (b) The amount of Fixed Expenses
- (c) The no. of units to Break Even

The selling price per unit can be assumed as Rs. 100

6. What is the need and importance of Social accounting in modern era?
7. Differentiate Fund Flow Statement with Cash Flow Statement with suitable examples. (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 the year ended 31st March 2012.

| Trail Balance           | Dr.      | Cr.      |
|-------------------------|----------|----------|
| Particular              | Rs.      | Rs.      |
| Purchases               | 1,60,000 |          |
| Discount                | 13,000   |          |
| Wages                   | 65,000   |          |
| Travelling Expenses     | 5,000    |          |
| Freight                 | 2,750    |          |
| Salaries                | 20,000   |          |
| Insurance               | 1,500    |          |
| Commission              | 3,250    |          |
| Rent and Rates          | 5,000    |          |
| Cash                    | 250      |          |
| Cash at Bank            | 27,250   |          |
| Stable Expenses         | 1,950    |          |
| Bad Debts               | 500      |          |
| Sundry Expenses         | 550      |          |
| Interest on Mortgages   | 1,000    |          |
| Repairs                 | 1,050    |          |
| Building                | 40,000   |          |
| Advertisement           | 15,000   |          |
| Horses & Carts          | 5,000    |          |
| Opening Stock           | 57,500   |          |
| Sundry Debtors          | 32,500   |          |
| Sales                   |          | 3,00,000 |
| Mortgage & Interest     |          | 30,500   |
| Capital                 |          | 1,06,550 |
| Sundry Creditors        |          | 20,000   |
| Provision for bad debts |          | 1,000    |
|                         | 4,58,050 | 4,58,050 |

**[P.T.O.]**

## Adjustments:

- Stock on 31st March 2012 was valued at Rs. 60,750.
- Rs. 300 were paid in advance for Rent & Rates.
- Prepaid insurance amounts Rs. 200.
- Create Reserve for bad debts @ 5% on debtors.
- Charge 1/3rd of the advertisement for this year.

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 Cash Flow Statement using (AS-3) method.

| <b>Liabilities</b>  | <b>1.1.12</b> | <b>31.12.12</b> | <b>Assets</b> | <b>1.1.12</b> | <b>31.12.12</b> |
|---------------------|---------------|-----------------|---------------|---------------|-----------------|
| Equity Capital      | 100000        | 100000          | Cash          | 10000         | 7200            |
| General Reserve     | 100000        | 100000          | Debtors       | 70000         | 76800           |
| Profit and Loss A/c | 96000         | 98000           | Stock         | 50000         | 44000           |
| Current Liabilities | 72000         | 82000           | Land          | 40000         | 60000           |
| Loan from ABC Co.   |               | 40000           | Buildings     | 100000        | 110000          |
| Loan from bank      | 62000         | 50000           | Machinery     | 160000        | 172000          |
|                     | <b>430000</b> | <b>470000</b>   |               | <b>430000</b> | <b>470000</b>   |

## Adjustments:

- During the year Rs.52000 was paid as dividends.
  - The provision for depreciation against Machinery as on 1.01.12 was Rs. 54000 and on 31.12.12 was Rs. 72000
11. Define Human Resource Accounting. Enlist advantages of Human Resource Accounting in current era. (10×2=20)