

[Total No. of Questions - 11] [Total No. of Printed Pages - 3]
(2125)

15556

MBA 1st Semester Examination
Accounting for Managers (NS)
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 carrying 2 marks each. Attempt any four questions from section B carrying 5 marks each. Attempt any two questions from section C which carry 10 marks each.

SECTION - A

1. Attempt all the questions in the section.
 - (a) What do you mean by consistency?
 - (b) What is sales book?
 - (c) What do you mean by trial balance entries?
 - (d) What do you mean by liquidity?
 - (e) What are comparative financial statements?
 - (f) What do you mean by debt equity ratio?
 - (g) What do you mean by cash flow from financing activities?
 - (h) What do you mean by social cost benefit analysis?
 - (i) What do you mean by profit volume ratio?
 - (j) What do you mean by replacement cost of human resources of an organization? (2×10=20)

[P.T.O.]

2

15556

SECTION - B

2. Journalize the following transactions in the books of a trader.
 - (a) Sold goods worth Rs. 45,000 to Nandu Vashisht and Company on credit.
 - (b) Purchased office furniture for Rs. 50,000.
 - (c) Purchased goods from Tonu worth Rs. 20,000 on credit
 - (d) Cash Purchases, Rs. 20,000.
 - (e) Withdrawn cash from bank Rs. 20,000. (5)
3. What do you mean by accounting cycle? What are the different stages in accounting cycle? (5)
4. What do you mean by profitability? How would you evaluate profitability of a firm? (5)
5. What do you mean by a cash flow statement? Explain the utility of a cash flow statement (5)
6. What are the different approaches to human resource accounting? Explain the significance of human resource accounting. (5)
7. What do you mean by cost volume profit analysis? Explain the assumptions of cost volume profit analysis.

SECTION - C

8. What do you mean by accounting? What are the functions of accounting? Explain the significance of accounting for a firm in the present competitive world. (10)
9. What do you mean by financial statement? Examine their nature and attributes'. What is the significance of financial statements? (10)

10. From the following balance sheet and the additional information, you are required to prepare cash flow statement for the year ended 31st December 2013 according to AS-3.

Liabilities	31 st Dec. 2012 Rs.	31 st Dec. 2013 Rs.	Assets	31 st Dec. 2012 Rs.	31 st Dec. 2013 Rs.
Share capital	6,00,000	7,00,000	Buildings	8,00,000	9,50,000
General reserve	6,00,000	6,50,000	Machinery	6,00,000	7,25,000
P/L A/c	3,00,000	2,50,000	Stocks	5,00,000	4,00,000
10% Debentures	6,00,000	6,00,000	Debtors	3,00,000	2,50,000
Sundry creditors	4,00,000	4,50,000	Investments	3,50,000	3,00,000
Provision for tax	50,000	75,000	Cash	50,000	45,000
Outstanding expenses	50,000	20,000	Goodwill	—	25,000
Pre-received incomes	40,000	5,000	Prepaid expenses	22,500	30,000
			Outstanding incomes	17,500	25,000
	26,40,000	27,50,000		26,40,000	27,50,000

Additional information:

- (i) During 2013 dividends of Rs. 45,000 were paid.
- (ii) Depreciation on plant and machinery amounted to Rs. 64,000.
- (iii) Provision for tax made during the year Rs. 75,000.
- (iv) Loss on sale of machinery amounted to Rs. 14,000. (10)

11. X has invested Rs. 2,00,000 in his business firm. He wants a 15 per cent return on his money. From an analysis of per cent cost figures, he finds that his variable costs of operation are 60 per cent of the sales, and his fixed costs are Rs. 80,000 per year. Show computation to answer the following questions:

- (i) What sales volume must be obtained to break even?
- (ii) What sales volume must be obtained to get 15 per cent return on his investment?
- (iii) Mr. X estimates that if he closed down his business, he would incur Rs. 25,000 as expenses per year. At what volumes of sales would he be better off by locking his business up? (10)