



St. Clare College

Autonomous, Bengaluru

PG END SEMESTER EXAMINATION-MAY 2025

MBA FIRST SEMESTER

MBA 1324: ACCOUNTING FOR MANAGERS

ROLL NO:

DATE:

TIME: 3 hours.

3

MAX. MARKS: 70

This paper contains Four printed pages and Four parts

Instructions:

1. Verify and ensure that the question paper is completely printed.
2. Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.
3. Students must check the course title and course code before answering the questions.

PART-A

Answer SIX questions out of EIGHT. Each answer carries TWO marks.

[2x6 = 12]

1. What is the primary objective of Accounting Information?
2. Define Fraud in the context of Accounting and One Ethical issue related to it.
3. What is the purpose of the Statement of Changes in Equity in a company's financial statements?
4. What is Cloud Accounting and how does it benefit businesses?
5. What is Marginal Costing and how does it help in decision-making?
6. What is meant by Cost Classification based on elements, and what are the three main categories of costs under this classification?
7. What is Ratio Analysis and how is it used in financial statement analysis?
8. What is Window Dressing in financial statements?

PART-B

Answer any THREE questions out of FIVE. Each answer carries EIGHT marks.

[8x3=24]

9. Journalise the following transactions in the books of Mr. Govind for the year 2024.

Jan 1	Commenced Business with Cash Rs. 50,000, Furniture Rs. 10,000, Goods Rs. 2000 and Loan Borrowed from his brother Mohan Rs. 10,000
Jan 2	Purchased goods from Shankar Rs. 5000
Jan 5	Returned goods to Shankar Rs. 100
Jan 6	Gave Rs. 500 as gift to his friend.
Jan 10	Withdrew Rs. 4000 for Personal use.
Jan 12	Purchased goods from Harsha for 6000 less 5% Trade Discount

10. Explain Forensic Accounting and its role in uncovering financial fraud and misconduct.
11. The following are Profit and Loss account and Balance Sheet of Narendra Company Limited in summarized form:

TRADING AND PROFIT AND LOSS ACCOUNT			
Particulars	Amount in Rs.	Particulars	Amount in Rs.
To Opening Inventories	76,250	By Sales	5,00,000
To Purchase	3,22,250	By Closing Inventories	98,500
To Gross Profit	2,00,000		
	5,98,500		5,98,500
To Administration Expenses	98,000	By Gross Profit b/d	2,00,000
To Selling Expenses		By Dividend on Shares	9,000
To Loss on Sale of Asset	22,000	By Profit on Sale of Shares	3,000
To Net Profit	2,000		
	90,000		
	2,12,000		2,12,000

You are required to calculate the following ratios:

- a) Gross profit ratio b) Net profit ratio c) Operating ratio d) Operating profit ratio

12. Explain the various Cost Management Techniques used for controlling and reducing costs in an organization. Discuss how these techniques help improve cost efficiency and profitability.

13. Following is the Balance Sheet of Sharma Ltd. As on 31-03-2023 and 31-03-2024.

Liabilities	31-03-2023 (Rs.)	31-03-2024 (Rs.)	Assets	31-03-2023 (Rs.)	31-03-2024 (Rs.)
Share Capital	6,84,000	9,00,000	Goodwill	2,30,000	1,80,000
9% Preference Share Capital	3,00,000	2,00,000	Land and Building	4,00,000	3,40,000
General Reserve	80,000	1,40,000	Plant	1,60,000	4,00,000
P and L Account	60,000	96,000	Stock	1,54,000	2,18,000
Creditors	1,10,000	1,66,000	Debtors	3,20,000	4,00,000
Bills Payable	40,000	32,000	Bill Receivable	40,000	60,000
Provision for Taxation	*80,000	1,00,000	Cash	50,000	36,000
	13,54,000	16,34,000		13,54,000	16,34,000

Additional Information:

- a) Dividend Paid Rs. 40,000.
b) Depreciation Written off during the year 31-03-2024 – Land and Building Rs. 40,000 and Plant Rs. 20,000.
c) Provision for Taxation made during the year 2024 was Rs. 90,000.

Prepare Cash Flow Statement as per AS – 3 (Indirect Method)

PART-C

Answer any TWO questions out of THREE. Each answer carries TEN marks.

[10X2=20]

14. The following details are available from the following books.

Particulars	Amount in Rs.
Stock of Raw Materials on 1/1/24	10,800
Stock of Finished Goods on 1/1/24	28,000
Purchases during the year	2,94,000
Production wages	1,98,800
Sales of Finished Goods	5,92,000
Stock of Raw Materials on 31/12/24	13,600
Stock of Finished Goods on 31/12/24	30,000
Works Overhead	43,736
Office Expenses	35,525

The company is above to send a tender for a large plan. The costing Department estimates that the material require for its production would cost Rs. 20,000 and wages for making the plant would cost Rs. 12,000. Tender is to me made keeping a Net Profit of 20% on Selling Price. State what would be the amount of the tender, if based on Percentages. (Note: Factory OH to Direct Wages and Office Expenses to Work Cost)

15. The Balance Sheets of 'S' Ltd. and 'R' Ltd., as on 31.3.2024 are given as below. Compare and Comment on the financial position of two companies with the help of Common Size Balance Sheet technique.

Particulars	S Ltd.	R Ltd.
EQUITY AND LIABILITIES		
Equity Share Capital	1,50,000	4,00,000
Preference Share Capital	1,20,000	1,60,000
Reserves	14,000	18,000
Long Term Loans	1,15,000	1,30,000
Bills Payable	2,000	-
Creditors	12,000	4,000
Outstanding Expenses	15,000	6,000
Proposed Dividend	10,000	90,000
TOTAL	4,38,000	8,08,000
ASSETS		
Land and Buildings	80,000	1,23,000
Plant and Machinery	3,34,000	6,00,000
Temporary Investments	1,000	40,000
Inventories	10,000	25,000
Debtors	4,000	8,000
Prepaid Expenses	1,000	2,000
Cash and Bank Balance	8,000	10,000
TOTAL	4,38,000	8,08,000

16. Cost of an article at a capacity level of 7500 units is given under 'A'. For variation of 20% capacity above or below this level the individual expenses vary as indicated under 'B' below. Find out the cost of the product at production levels of 6,000 units and 9,000 units.

PARTICULARS	A	B
Materials	37,500	100% Varying
Labour	22,500	100% Varying
Repairs and maintenance	1875	80% Varying
Power	3,000	75% Varying
Stores	1,500	100% Varying
Inspection	750	20% Varying
Depreciation	15,000	100% Varying
Administrative overheads	7,500	25% Varying
Selling overheads	4,500	50% Varying
Total Cost	94,125	

PART-D

Answer the following.

[14X1=14]

17. From the following trial balance prepare Final Accounts of Nishi Trading Company Limited for the accounting period 31st March, 2024.

Particulars	Amount in Rs.
Sales	654000
General Reserve	12000
Opening Inventories	58400
Trade Payables	25890
Purchase of Goods	232080
Depreciation on Tangible Assets	15500
Trade Receivables	85000
Salary Expenses	98470
Provision for Bad and Doubtful debts	5000
Cash and Cash Equivalents	35500
Tangible Assets	155000
Freight	48880
Amortisation on Tangible Assets	18500
Sundry Expenses	42860
Share Capital (Equity Share of Rs. 100 each)	250000
Profit and Loss Account (Cr.)	7000
Preliminary Expenses	20000
Power Fuel	54200
Bad Debts	3500
Intangible Assets	86000

Adjustments:

- Closing Inventories Rs. 28,880.
- Create Provision for taxation at 30%.
- Write off 1/5th of Preliminary Expenses.
- Directors proposed dividend of 15%.
- Write off Rs. 2,500 as Bad debts and maintain PBDD @ 10 % on Debtors.
