



⁴
I Semester M.B.A. Examination, July 2023
(CBCS) (Repeaters) (2014 – 2015 and Onwards)

MANAGEMENT

Paper – 1.3 : Accounting for Managers

JP – 722



Time : 3 Hours

Max. Marks : 70

SECTION – A

Answer any five of the following questions. Each question carries five marks.

(5×5=25)

1. Enumerate the various users of accounting information in detail.
2. Window dressing is the method of manipulation of financial statements. Justify.
3. Explain the accounting conventions with their significance in preparation of financial statements.
4. Write a note on environmental accounting.
5. From the following calculate trend percentages (considering 2018 as base year).

	2018 (Rs.)	2019 (Rs.)	2020 (Rs.)
Cash	2,000	2,400	1,600
Debtors	4,000	5,000	6,500
Stock	6,000	8,000	7,000
Other current assets	4,500	6,000	7,500
Land	8,000	10,000	10,000
Buildings	16,000	20,000	24,000
Plant	20,000	20,000	24,000

6. Given the following.

Particulars	Per unit
Sale price	10
Variable cost	6
Fixed cost	20,000-Total

- i) Find BEP
- ii) Margin of safety at 8000 units
- iii) No. of units to be produced to achieve a target profit of Rs. 1,00,000.

P.T.O.



7. The manager of repairs and maintenance department in response to a request, submitted the following budget estimates for his department that are to be used to construct a flexible budget to be used during the coming budget year :

Details of cost	Planned at 6,000 direct repair hours	Planned at 9,000 direct repair hours
Employee salaries	30,000	30,000
Indirect repair materials	40,200	60,300
Miscellaneous cost, etc	13,200	16,800

Prepare a flexible budget for the department up to activity level of 10,000 repair hours (use increments of 1,000 hours).

SECTION – B

Answer **any three** questions. **Each** question carries **ten** marks. (3×10=30)

8. Elaborate the various methods of Human Resource Accounting.
9. From the following information, prepare CFS by indirect method.

Liabilities	31/03/2019	31/03/2018	Assets	31/03/2019	31/03/2018
Share capital	50,00,000	40,00,000	Fixed assets	31,00,000	30,00,000
Reserve fund	15,00,000	5,00,000	Investment	1,50,000	–
Secured loan	35,00,000	40,00,000	Stock and stores	75,00,000	78,75,000
Current liabilities	50,00,000	60,00,000	Debtors	40,00,000	35,00,000
			Cash & bank	2,50,000	1,25,000
Total	1,50,00,000	1,45,00,000	Total	1,50,00,000	1,45,00,000

- The net profit for the year after adjustment in respect of provision for dividends and tax was Rs. 10,00,000.
- There was addition to fixed assets during the year amounting to Rs. 4,00,000 and depreciation for the year was Rs. 3,00,000.



10. Assume that a firm's owner's equity is Rs. 1,00,000/- and the ratios of the firm are as follows.

- Short term debt to total debt = 0.40
- Total debt to owners' equity = 0.60
- Fixed assets to owners' equity = 0.60
- Total assets turnover = 2 times
- Inventory turnover = 8 times

From the above information, complete the following balance sheet :

Liabilities	Rs.	Assets	Rs.
Owners' equity	—	Fixed assets	—
Long term debt	—	Inventory	—
Short term debt	—	Cash	—
Total	—	Total	—

11. Explain the accounting concepts in detail.

SECTION – C

Compulsory :

(1×15=15)

12. From the following trial balance of Tata Trading Company Ltd., prepare the financial statement for the ending 31st March 2022 in vertical format as per Companies Act, 2013.

Particulars	Dr. Rs.	Cr. Rs.
Sale of goods	—	5,50,000
Office rent	50,000	—
Opening inventory	35,000	—
Purchase of goods	1,70,000	—
Furniture	1,85,000	—
Trade payables	—	85,000
Plant and Machinery	1,00,000	—
Trade receivables	1,60,000	—
Equity shares (4000 shares @ 10 each)	—	4,00,000
10% debentures	—	1,00,000
Interest on debentures	10,000	—



Fixed deposits(6 months term)	70,000	–
Staff welfare expenses	12,000	–
Surplus	–	10,000
Cash in hand and Bank	63,000	–
Building	90,000	–
Rates and taxes	25,000	–
Salaries	55,000	–
Goodwill	1,25,000	–
General reserves	–	5,000

Adjustments :

- a) Closing inventory valued at Rs. 45,000
 - b) Create provision for taxation @ 30%
 - c) Transfer to general reserve Rs.5,000
 - d) Director proposed dividend @ 10%
 - e) Provide depreciation on plant and machinery @ 10% and building @ 5%.
-