

**P.E.S. College of Engineering, Mandya - 571 401***(An Autonomous Institution affiliated to VTU, Belagavi)***First Semester, Master of Business Administration (MBA)****Semester End Examination; June-2022****Accounting for Managers**

Time: 3 hrs

Max. Marks: 100

Note: Answer all FOUR full questions from PART - A and PART - B (Case Study) is compulsory.

Q. No.	Questions	Marks	BLs	COs	POs
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PART -A

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|------|------------------------------------------------------|----|----|-----|-----|
| 1 a. | Explain the various accounting concepts. | 10 | L1 | CO1 | PO2 |
| b. | From the following details, Prepare a Trial Balance. | | | | |

SL. No.	Particulars	Amount (Rs.)
1.	Capital	10,00,000
2.	Drawings	80,000
3.	Furniture	60,000
4.	Vehicles	2,00,000
5.	Stock	60,000
6.	Cash	20,000
7.	Bank	20,000
8.	Bank OD	1,20,000
9.	Reserves	80,000
10.	Short term loan	60,000
11.	Patents	80,000
12.	Plant & Machinery	8,00,000
13.	S. Debtors	80,000
14.	S. Creditors	60,000
15.	Bills Payable	40,000
16.	Depreciation fund	40,000

10 L1 CO1 PO1

OR

- | | | | | | |
|------|-------------------------------------------------------------------------------------------|----|----|-----|-----|
| 2 a. | Examine the importance of ratio analysis. | 10 | L2 | CO2 | PO2 |
| b. | From the following information, prepare a balance sheet with as many as details possible: | | | | |

Current ratio = 2.5

Liquid ratio = 1.5

Working capital = 1.5

Working Capital = 60,000/-

Reserves = 40,000/-

Reserves to equity = 1.4

Shareholder fund = 1.5:1

Capital

10 L2 CO2 PO2

- 3 a. “Though Trading and P&L account and balance sheet are universally accepted statements, they suffer from many hidden information. Substantiate. 10 L2 CO2 PO2
- b. Sreelakshmi enterprises purchased machinery for Rs. 6,00,000/- on 1st Jan. 2016. The life expectancy of the machine estimated at the time of purchase was 5-years and it was also expected to generate a salvage value of Rs. 50,000 at the end of the life. Show the calculations for charging depreciation. Using, 10 L2 CO4 PO3
- i) Straight Line Method (SLM)
- ii) Written Down value(WDV) at 20% p.a.
- OR**
- 4 a. Human resources are considered to be the asset of the organization, replacing such assets is a herculean task for the management. Which accounting system helps to resolve this? 10 L3 CO4 PO1
- b. Journalise the following transactions:
- i) Mr. Raman commenced his business with a capital of Rs.3,00,000/- on 01-01-2021
- ii) He deposited Rs. 25,000/- into his bank account.
- iii) Raman purchased furniture for Rs. 50,000/- and cash paid Rs. 20,000/- on 31-03-2021 10 L6 CO4 PO3
- iv) Raman sold goods for Rs. 60,000/- and received cash Rs. 18,000/- (Balance to be covered after 90 days)
- v) Raman purchased goods from Rajasthan Traders on 06-10-2021 for Rs. 5,00,000 and paid Rs. 2,00,000/-
- 5 a. What is cost? Explain various types of costs. 10 L2 CO5 PO1
- b. A Product is manufactured with material labour and overhead components constituting $\frac{2}{3}$, $\frac{1}{3}$ respectively for material and labour $33\frac{1}{3}\%$ of prime cost constitute overhead. The firm is selling products at $\frac{1}{4}$ margins on cost. Determine the cost and the profit if the 100% installed capacity is initialized. At present, the firm is operating at 60% and producing 36,000 units. The selling price per unit is Rs. 300/-. 10 L2 CO5 PO4
- OR**
- 6 a. Explain the methods of depreciation. 10 L2 CO4 PO1
- b. “Marginal costing is technique for modern, complex and competitive global environment” Elucidate. 10 L3 CO5 PO1

- 7 a. From the following figures, calculate the sales required to earn a profit of Rs. 80,000:

Year	Sales(Rs.)	Profits (Rs.)
2020	12,00,000	(-)20,000
2021	13,00,000	40,000

10 L CO5 PO3

Compute PVR, contribution using the above data. Also summarize a marginal cost statement with profit and loss.

- b. Explain the various methods of using surplus funds.

10 L3 CO4 PO1

OR

- 8 a. Discuss HR accounting and Forensic accounting.

10 L3 CO4 PO1

- b. The following is the balance sheet of XYZ as on 31-12-2019 and 31-12-2020:

Liabilities	2019 (Rs.)	2020 (Rs.)	Assets	2019 (Rs.)	2020 (Rs.)
Capital	60,000	80,000	Cash	40,000	60,000
Bank O/D	20,000	30,000	Bank	60,000	40,000
Creditors	60,000	80,000	Stock	60,000	60,000
Bills Payable	1,00,000	80,000	Bills Receivable	80,000	60,000
Short Term Loan	30,000	90,000	Furniture	10,000	30,000
Long term loan	80,000	-	Machinery	80,000	1,00,000
			P&L account	20,000	10,000
	3,50,000	3,60,000		3,50,000	3,60,000

10 L3 CO3 PO4

Prepare a schedule of changes in working capital and a funds flow statement.

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PART - B (Case Study Compulsory)

9. The following are the balances extracted from Sri Meghana enterprises dealing with manufacturing of steel almirahs

Trial Balance

Particulars	Debit (Rs.)	Credit (Rs.)
Capital and Drawings	10,00,000	2,50,000
Debtors and Creditors	80,000	60,000
Stock	60,000	-
Bank OD and Cash	40,000	60,000
Bills Payable and Bills Receivables	80,000	1,00,000
Cash	60,000	-
Furniture	1,25,000	-
Plant and Machinery	6,00,000	
Motor Vehicles	5,00,000	-
Purchase and Sales	1,25,000	2,50,000
Insurance	6,000	-
Rent	15,000	80,000
Advertisement	80,000	
Patents	6,00,000	
Commission	25,000	30,000
Discount	12,000	18,000
Long term Loan	-	25,60,000
	34,08,000	34,08,000

Additional Information:

- Closing stock has valued at Rs. 4,36,000/-
- Create a provision for bad and doubtful debt at 12.5%
- Goods worth Rs. 80,000/- was destroyed by fire and insurance company accepted the claim for Rs. 50,000/-
- Depreciate plant and machinery and furniture & fixture by 10% and motor vehicle by 12.5%.
- Advertisement expenses were paid in advance for 6 months.

Prepare final accounts of Meghana enterprises for the year ending 31.03.2021.

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