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16/17MBA13

First Semester MBA Degree Examination, June/July 2019 Accounting for Managers

Time: 3 hrs.

Max. Marks: 80

**Note: 1. Answer any FOUR full questions from Q.No.1 to Q.No.7.
2. Question No. 8 is compulsory.**

- 1 a. What is Journalizing? (02 Marks)
- b. Show the accounting equation of M/s. Shilpa Industries Ltd. On the basis of the following transactions :
- i) Started Business with cash Rs. 90,000/-
 - ii) Purchased good on credit Rs. 50,000/-
 - iii) Purchased furniture for cash Rs. 10,000/-
 - iv) Draw for personal use Rs. 5,000/-
 - v) Paid to creditors Rs. 40,000/-
 - vi) Received from debtors Rs. 12,000/- (06 Marks)
- c. "Accounting concepts and conventions are the grammar of the language of accounting" In the light of the above statement explain the them in brief. (08 Marks)
- 2 a. What is Contra entry? Give example. (02 Marks)
- b. Prepare a Trial balance form the following ledger balances:
- Capital Rs. 12,00,000, Fixed Assets Rs. 17,00,000, Purchases Rs. 6,40,000, Debtors Rs. 1,00,000, Sales Rs. 11,30,000, O/S salary Rs. 10,000, Proposed dividend Rs. 40,000, Provision for taxation Rs. 28,000, Interest on bank deposits Rs. 20,000, Rent received in advance Rs. 12,000. (06 Marks)
- c. Journalize the following transaction in the books of M/S Deepa Industries Ltd.,
- 1/1/16 Started business with cash Rs. 1,00,000/-
 - 2/1/16 Purchased Furniture for cash Rs. 10,000/-
 - 3/1/16 Purchased goods from Mr. Kamalesh on list price of Rs. 15,000/- at a trade discount of 10%
 - 4/1/16 Returned goods to Mr. Kamalesh value at list price Rs. 1,000/-
 - 8/11/16 Settled the account of Mr. Kamalesh by paying Rs. 12,500/-
 - 12/1/16 Sold goods to Mr. Ramlal for Rs. 10,000/-
 - 15/1/16 Ramlal returned goods worth Rs. 2000
 - 20/1/16 Received from Mr. Ramlal Rs. 7,900 on full settlement of his account. (08 Marks)

Important Note : 1. On completing your answers, compulsorily draw diagonal cross lines on the remaining blank pages.
2. Any revealing of identification, appeal to evaluator and /or equations written eg, 42+8 = 50, will be treated as malpractice.



- 3 a. What is contingent Liability? (02 Marks)
- b. SV Industries Ltd. Purchased a plant on 1st April 2010 for Rs. 4,50,000/- and incurred installation charges of Rs. 50,000/-. On 30th September, 2010 it purchased second hand plant for Rs. 1,00,000/- on 1st October 2012 it sold the 1st plant purchased on 1st April 2010 for Rs. 3, 65,000/-. On 30th September 2013 it sold the second plant purchased on 30th September 2010 for Rs. 75,000/- and purchased another plant for Rs 1,50,000/-. Depreciation was provided at the rate of 10% on original cost on 31st March each year. Show the plant A/c for the period 2010 -11 to 2013-14. (06 Marks)

- c. Record the following Transactions in three column cash book of M/s Geetha Industries Ltd., for the month of March 2016.

1 st March 2016	Balance of cash Rs. 2,000 and at bank Rs.5,000.
3 rd	Received cash Rs. 500 and cheque Rs. 400 for cash sales and deposited the cheque in to Bank.
6 th	Paid by cheque for purchases Rs. 100.
9 th	Paid Gopal cash Rs. 680 and he allowed discount Rs. 20.
12 th	Received cash from Rs. 600 in full settlement of his account of Rs. 630.
14 th	Withdrawn from bank for personal use Rs. 500
20 th	Sham and Company paid direct into our bank account Rs. 7,000
23 rd	Cash withdrawn from bank for office use Rs. 1,000
27 th	Discounted a bill at 1% through bank Rs. 4,000
31 st	Paid Staff salaries by cash Rs. 1,000

(08 Marks)

- 4 a. What is Marshalling of Balance Sheet? (02 Marks)
- b. Prepare a trading account from the following data and find gross profit :

Particular	Debit	Credit
Opening stock	4,00,000	-
Sales	-	7,80,000
Purchases	4,85,000	-
Carriage inward	10,000	-
Salaries	30,000	-
Office rent	2,500	-
Wages	40,000	-
Factory expenses	35,000	-
Fuel and power	5,000	-

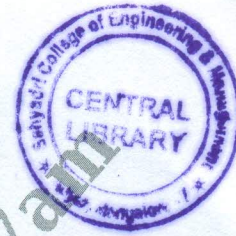
Closing stock for the year is Rs. 4,20,000.

(06 Marks)

- c. SDG Ltd has the following capital structure :

5000 Equity shares of Rs. 100 each	Rs. 5,00,000
10% 25000 preference shares of Rs. 10 each	Rs. 2,50,000
8% 2500 debentures of Rs. 100 each	Rs. 2,50,000
Total	Rs. 10,00,000

During the previous year the company made an operating profit (EBIT) of Rs. 4,00,000. Determine the earning per share (EPS) dividend per share (DPS) and price earnings ratio (PE ratio). You may assume payout policy 50% tax rate of 50% and market price per share Rs. 200. (08 Marks)



- 5 a. What is quick ratio? (02 Marks)
b. What are the deductions under section 80c of Income tax Act? (06 Marks)
c. Using the following accounting variables, construct the balance sheet.
Gross profit (20% of sales) Rs. 60,000
Credit sales to total sales 80%
Share holders equity Rs. 50,000
Total assets turnover 3 times
Stock turnover 8 times
Average collection period (360 days in a year) 18 days
Current ratio 1.6:1
Long term debt to equity 40% (08 Marks)

- 6 a. What is sustainability Reporting? (02 Marks)
b. What is meant by "Accounting Standard"? Explain any 5 accounting standards in brief. (06 Marks)
c. The following Balance sheet are given :

Liabilities	2015	2016	Assets	2015	2016
Equity share capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
Preference capital	1,50,000	1,00,000	Machinery	2,00,000	1,70,000
General Reserves	40,000	70,000	Building	80,000	2,00,000
P and L A/C	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividend	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	Bill receivable	20,000	30,000
Bills payable	20,000	16,000	Cash in hand	15,000	10,000
Provision for taxation	40,000	50,000	Cash at Bank	10,000	8,000
	6,77,000	8,17,000		6,77,000	8,17,000

Additional information:

Depreciation of Rs. 20,000 on machinery and Rs. 10,000 on Building has been charged during the year 2016. Interim dividend of Rs. 20,000 and income tax of Rs. 35,000 has been paid during the year 2016.

Prepare cash flow statement as per AS – 3.

(08 Marks)

- 7 a. What is IFRS? (02 Marks)
b. State the Income Tax Slab rates for an individual for the current assessment year 2018-19. (06 Marks)
c. What is Human Resources Accounting? Briefly explain the methods of Human Resources Accounting. (08 Marks)