

MBA I Semester Supplementary Examinations, February-2020

ACCOUNTING FOR MANAGERS

Time: 3 Hours

Max. Marks: 60

*Answer Any FIVE Questions
All Questions Carry Equal Marks
Question No. 8 is Compulsory*

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| 1. a | What is accounting process? | 3M |
| b | Explain the accounting concepts and conventions. | 9M |
| 2. | Explain the preparation and presentation of income statement. | 12M |
| 3. a | Define accounting standards? | 4M |
| b | Discuss in detail about standards practices in India. | 8M |
| 4. a | What is financial analysis? | 4M |
| b | Explain the scope and purpose of financial analysis. | 8M |
| 5. a | What is ratio analysis? | 2M |
| b | Explain the liquidity, activity, structural and profitability ratios. | 10M |
| 6. | A firm sells 7,000 units at Rs.27 per unit. Its fixed cost amount to Rs. 44,000 and variable cost to Rs. 16 per unit.
i. The break-even point.
ii. Point-Volume (P/V) ratio.
iii. Margin of Safety. | 12M |
| 7. a | What is CVP analysis? | 3M |
| b | Explain the role of CVP analysis in decision making. | 9M |

The following is the Trial Balance as on 31-12-2018. Prepare Trading and Profit and Loss Account and Balance Sheet:

Debit Balances	Rs.
Stock (1-1-2018)	14,000
Purchases	1,26,000
Productive wages	50,500
Salaries	16,000
Carriage inward	9,100
Rent and Rates	5,200
Insurance	1,320
Machinery	52,000
Building	67,000
Sundry debtors	44,000
Furniture	3,350
General Expenses	2,600
Cash in hand	1,930
Bad debt	1,020
Bank	6,580
Credit Balances:	
Sales	2,20,000
Capital	1,45,600
Sundry creditors	20,000
Secured Loan	15,000

Adjustments to be made:

- i. Stock on 31-12-2018 Rs. 20,600
- ii. Depreciate machinery at 10% p.a.
- iii. Make provision @ 5% for bad and doubtful debts.
- iv. Provide discount on debtors @ 2½%
- v. Insurance prepaid Rs. 120.
