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Roll No. ....

**MB-104**

**M. B. A. (FIRST SEMESTER)**

**MID SEMESTER**

**EXAMINATION, Nov., 2022**

**ACCOUNTING FOR MANAGERS**

**Time : 1½ Hours**

**Maximum Marks : 50**

**Note :** (i) This question paper contains two  
Sections—Section A and Section B.

(ii) Both Sections are compulsory.

(iii) Answer any *two* sub-questions among  
(a), (b) and (c) in each main question  
of Section A. Each question carries  
10 marks.

(iv) Section B consisting of case study is  
compulsory. Section B is of 20 marks.

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## Section—A

1. (a) Illustrate the concepts and conventions of accounting. Name them and explain any *two* accounting concepts in detail. (CO1)
- (b) Transactions of Ramesh for April, 2021 are given below. Journalise them: (CO1)

April	₹
03 Ramesh started business with cash	10,000
04 Paid into bank	7,000
06 Brought Goods for cash	5,000
08 Sold goods to Krishna	15,000
12 Received from Krishna in full settlement	14,500
18 Cash sales	8,000
25 Goods sold to Rohit	10,000
30 Received cash from Rohit	6,000
30 Paid rent	500

- (c) Discuss the term Journal and Ledger. Explain the basic difference between these two terms. (CO1)

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2. (a) Classify different types of accounts and interpret corresponding debit and credit rules of each account. (CO2)
- (b) Classify different branches of Accounting and interpret the difference between financial accounting and management accounting. (CO2)
- (c) From the following particulars of Rajni Trading Company Ltd., prepare statement of profit and loss as schedule III for the year ending 31st March, 2021. (CO3)

## Particulars ₹

Stock-in-Trade (April 1st, 2020)	30,000
Purchases of Stock-in-Trade	96,000
Other expenses	13,200
Revenue from operations	1,75,000
Employee benefits expenses	22,600
Other Income	2,600

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Depreciation and	
Amortization of Expenses	2,400
Finance Cost	5,000
Tax Expenses	16,940
Stock-in-Trade (March 31, 2021)	₹ 40,000.

3. (a) Write short notes on the following : (CO3)

(i) Window Dressing

(ii) Capital structure

(iii) Accounting cycle

(iv) Trial balance

(b) On first April, 2021, Mohit started business with a capital of ₹ 50,000.

Journalise the following transactions and post them into the Ledger and make the trial balance : (CO4)

April

01 Ram started business with a capital 10,000

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03	Purchased furniture on cash	4,000
04	Purchased goods from Mohan on credit	2,000
06	Goods sold to Rohit	2,500
08	Received cash from Rohit	2,000
12	He paid cash to Mohan	1,000

(c) Prepare the format of the balance sheet of a company as per the schedule III of Companies Act, 2013. (CO4)

#### Section—B

4. Case Study : 20 Marks (CO5)

The chronologically recorded facts about events expressed in monetary terms for a defined period of time are the basis for the preparation of periodical financial statements which reveal the financial position as on a date and the financial results obtained during a period. The American Institute of Certified

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Public Accountants states the nature of financial statements as, "the statements prepared for the purpose of presenting a periodical review of report on progress by the management and deal with the status of investment in the business and the results achieved during the period under review. They reflect a combination of recorded facts, accounting principles and personal judgements".

These statements are the outcome of the summarising process of accounting and are, therefore, the sources of information on the basis of which conclusions are drawn about the profitability and the financial position of a company. Hence, they need to be arranged in a proper form with suitable contents so that the shareholders and other users of financial statements can easily understand and use them

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in their economic decisions in a meaningful way.

Answer the following questions :

- (a) Elaborate the concept of financial statements of a company.
- (b) Do you agree with the following statement : "Financial statement helps the company in taking economic decision". Comment.

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