



I Semester M.B.A. (Day and Evening) Degree Examination, July 2022
(2021-22 and Onwards) (Freshers)

(CBCS)

MANAGEMENT

Paper – 1.3 : Accounting for Managers

Time : 3 Hours

Max. Marks : 70

- Instructions :** 1) Answer *all* Sections.
2) Section – C is *compulsory*.

SECTION – A

Answer **any five** of the following questions. **Each** question carries **5** marks. (5×5=25)

1. Discuss the internal and external users of accounting information.
2. Explain any five accounting concepts related to Balance Sheet.
3. Discuss Piotroski's F score model in the analysis of financial statements.
4. For the year ended 31st March 2020, ABC Ltd. sold goods for Rs. 14,34,000. The average gross profit on sales was 40%. The following information is available.

Sales returns and allowances Rs. 34,000

Opening stock Rs. 80,000

Purchases Rs. 8,36,000

Purchase returns and allowances Rs. 12,000

Freight in Rs. 46,000

Calculate :

- a) Closing stock
- b) Cost of goods sold
- c) Gross profit.



5. Following is the details of ABC Ltd. as on 31-3-2020 and 31-3-2021. You are required to prepare the common size income statement for the year ending 31-3-2020 and 31-3-2021.

Particulars	31-3-2020	31-3-2021
Sales	35,00,000	45,00,000
Cost of goods sold	22,75,000	36,00,000
Operating expenses	1,10,000	2,25,000
Selling and Distribution expenses	2,50,000	3,00,000
Financial expenses	1,00,000	1,25,000
Tax rate	30%	30%

6. From the following you are required to calculate :

- P.V. ratio
- Break even sales
- Sales required to earn a profit of Rs. 4,50,000

Fixed expenses	:	9,00,000
Direct material	:	Rs. 50
Direct labour	:	Rs. 20
Direct overheads	:	100% direct labour
Selling price	:	Rs. 120

7. With the following data for a 60% capacity, prepare a budget for production at 80% and 100% capacity.

Production at 60% capacity	6000 units
Materials	120 per unit
Labour	50 per unit
Direct expenses	15 per unit
Factory expenses (40% fixed)	Rs. 4,00,000
Administrative expenses (60% fixed)	Rs. 3,00,000

SECTION – B

Answer **any three** questions. **Each** question carries **10** marks.

(3×10=30)

- What are the objectives of financial statement analysis ? Explain in brief the different tools used in financial statement analysis.
- Write a note on :
 - Responsibility accounting
 - Corporate social reporting.



10. From the following figures pertaining to the company, prepare Balance Sheet showing the details of working.

Share capital	Rs. 1,99,500
Working capital (CA-CL)	Rs. 45,000
Gross margin	20%
Inventory turnover	6
Average collection period	2 months
Current ratio	1.5
Quick ratio	0.9
Reserves and surplus to cash	3

11. From the following information, prepare cash flow statement by indirect method.

Comparative Balance Sheet of XYZ Ltd.

Liabilities	As at 31-3-2021	As at 31-3-2020	Assets	As at 31-3-2021	As at 31-3-2020
Share capital	50,00,000	40,00,000	Fixed Assets	31,00,000	30,00,000
Reserves	15,00,000	5,00,000	Investments	1,50,000	—
Secured loan	35,00,000	40,00,000	Cash and Bank		
Current liabilities	50,00,000	60,00,000	balance	2,50,000	1,25,000
			Stock	75,00,000	78,75,000
			Sundry debtors	40,00,000	35,00,000
	1,50,00,000	1,45,00,000		1,50,00,000	1,45,00,000

- i) The net profit before tax and extra ordinary items was Rs. 10,00,000.
 ii) There was addition to fixed assets during the year amounting to Rs. 4,00,000 and depreciation was Rs. 3,00,000.

SECTION – C

12. Case study. **Compulsory.**

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Yeshan Ltd. is a leading consultancy firm operates from Bombay. The directors of the firm are of the opinion that the firm is performing extremely well in recent part.

The total Balance Sheet of the Yeshan Ltd. is as on 31-3-2021 is listed below.

Particulars	Dr. (Rs.)	Cr. (Rs.)
Equity share capital		3,00,000
12% preference share capital		2,00,000
Reserve fund		1,50,000



Buildings	4,00,000	
10% debentures		2,00,000
Plant and Machinery	2,00,000	
Purchases and sales	2,50,000	6,00,000
Salary	60,000	
Debtors and Creditors	2,30,000	1,75,000
Bills	70,000	90,000
Directors fees	20,000	
Bad debts	5,000	
Returns	15,000	20,000
Wages	1,50,000	
Opening stock	20,000	
Profit and loss a/c bal. on 1-4-2020		60,000
Loose tools	60,000	
Goodwill	80,000	
Discount on issue of shares	20,000	
Cash and Bank balance	33,000	
12% investments (1-4-2020)	2,00,000	
Interest on investments		18,000
	18,13,000	18,13,000

Adjustments :

- 1) Closing stock valued at Rs. 1,40,000
- 2) Outstanding wages Rs. 2,500.
- 3) Debenture interest outstanding for whole year.
- 4) Write off further bad debts Rs. 5,000
- 5) Buildings and Plant and Machinery to be depreciated by 5% and 10% respectively.
- 6) Transfer Rs. 25,000 to reserve.
- 7) The directors propose 15% dividend on equity shares.

Is it viable to the company ?