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**I Semester M.B.A. (Day/Eve.) Degree Examination, July 2023  
(2021-22 and Onwards) (Freshers) (CBCS)**

**MANAGEMENT**

**Paper – 1.3 : Accounting for Managers**

Time : 3 Hours

Max. Marks : 70

**SECTION – A**

Answer **any five** questions. **Each** question carries **5** marks.

**(5×5=25)**

1. Discuss the objectives and purpose of accounting information.
2. Explain classification of cashflows according to AS-3.
3. Explain the techniques for controlling and reducing cost.
4. Journalise the following transactions in the books of Pradeep.

2023-Jan. - 1 Pradeep started business with cash Rs. 2,00,000

3 Paid into Bank Rs. 70,000

4 Cash sales Rs. 30,000

6 Bought goods from Ramesh for Rs. 50,000

10 Paid salaries Rs. 20,000.

5. From the following particulars prepare a cost sheet.

	Rs.
Stock of raw materials on April 1 <sup>st</sup> 2022	20,000
Purchase of raw materials	5,50,000
Productive wages	2,50,000
Works overhead charges	75,000
Office and general expenses	1,00,000
Selling and distribution expenses	3,00,000
Stock of raw materials on 31-3-2023	70,000
Stock of finished goods on April 1 <sup>st</sup> 2022	25,000
Stock of finished goods on 31-3-2023	2,00,000
Sales	18,00,000

P.T.O.



6. The following data are available from the records of a company.

	Rs.
Sales	6,00,000
Variable cost	3,00,000
Fixed cost	1,50,000

You are required to

- Calculate P.V. Ratio, B.E.P.
- Calculate the effect of 10% increase in sale price on B.E.P.
- Calculate the effect of 10% in variable cost on B.E.P.

7. From the following data prepare flexible budget for production 60,000 units and 80,000 units of 'X' distinctly showing variable and fixed cost as well as total cost.

Budget output	1,00,000 units
Direct material	Rs. 180 per unit
Direct labour	Rs. 60 per unit
Direct expenses	Rs. 30 per unit
Manufacturing variable overhead	Rs. 40 per unit
Fixed production overhead	Rs. 20 per unit
Selling overhead	Rs. 40 (50% fixed) per unit
Distribution overhead	Rs. 20 (40% variable) per unit

### SECTION – B

Answer **any three** of the following questions. **Each** question carries **10** marks.

(3×10=30)

- What is marginal costing ? Explain the decision making areas under marginal costing.
- Write a note on :
  - Human Resource Accounting
  - Environmental Accounting.
- Following is the Balance Sheet of Yeshas Ltd. as at 31-3-2023.

Liabilities	Rs.	Assets	Rs.
Equity share capital	5,00,000	Land and buildings	9,00,000
8% preference share capital	4,00,000	Plant and machinery	8,00,000
Reserves and surplus	4,00,000	Closing stock	3,00,000
9% debentures	6,00,000	Debtors	2,00,000
Current liabilities	4,00,000	Bank and cash	90,000
		Prepaid expenses	10,000
	<b>23,00,000</b>		<b>23,00,000</b>



**Additional information :**

Sales during the year Rs. 8,00,000, cost of goods sold Rs. 6,00,000, office and administrative expenses Rs. 1,12,000, commission received 12,000, profit on sale of building Rs. 54,000, loss on sale of machinery Rs. 34,000.

You are required to calculate :

- Current ratio
- Liquid ratio
- Stock turnover ratio
- Gross profit ratio
- Operating cost ratio
- Net profit ratio
- Debt-equity ratio
- Solvency ratio
- Proprietary ratio
- Fixed assets to net worth ratio.

11. Following are summarised Balance Sheets of a XYZ Ltd. Co. as 31-3-2022 and 31-3-2023.

Liabilities	31-3-22	31-3-23	Assets	31-3-22	31-3-23
	Rs.	Rs.		Rs.	Rs.
Share capital	5,00,000	5,00,000	Premises	4,75,000	5,00,000
General reserve	1,50,000	1,25,000	Machinery	4,22,500	3,75,000
Profit and loss a/c	76,500	76,250	Equipments	40,500	45,000
Term loan	1,55,000	1,75,000	Stock	74,000	1,00,000
Sundry creditors	2,31,250	2,75,000	Debtors	1,60,000	2,00,000
Provision for tax	76,250	84,250	Cash	7,000	3,000
			Bank	10,000	—
			Goodwill	—	12,500
	<b>11,89,000</b>	<b>12,35,500</b>		<b>11,89,000</b>	<b>12,35,500</b>

**Additional information :**

- Interim dividend paid Rs. 25,000
- Depreciation on premises is provided at 5%
- Machinery worth Rs. 75,000 was acquired during the year
- Income tax provision for the year was Rs. 75,000

Prepare cash flow statement in accordance with AS-3.



## SECTION – C

12. **Compulsory** question :

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Prepare the financial accounts of Hindustan company from the following trail balance as on 31-3-2023 as per Schedule VI of the Companies Act, 1956.

Debit Balances	Rs.	Credit Balances	Rs.
Stock on 1-4-2022	41,000	Share capital	5,00,000
Premises	7,50,000	Sales	10,00,000
Machinery	1,50,000	Reserve fund	1,80,000
Furniture	50,000	Profit and loss a/c	35,000
Purchases	6,80,000	Creditors	75,000
Wages	1,30,000	10% debentures	4,00,000
Salaries	60,000	Bills payable	11,000
Dividend paid	20,000		
Goodwill	2,00,000		
Debtors	60,000		
Bills receivable	38,000		
Bad debts	2,000		
Debenture interest (upto 30-9-2022)	20,000		
	<b>22,01,000</b>		<b>22,01,000</b>

**Adjustments :**

- The stock 31-3-2023 was valued at Rs. 80,000
- Depreciate machinery and furniture by 10%
- Maintain reserve for doubtful debts at 5% on debtors
- The directors proposed a final dividend at 15%
- The debenture interest is unpaid for six months.