

- OR iii. On 1st January 2016 Oswal Steel Company purchased a machine for Rs. 20,000. On 1st January 2017 another machine was purchased for Rs. 8,000 and paid Rs. 400 for its fitting in the factory. On 1st July 2018 purchased a third machine for Rs. 6,000 and a fourth machine for Rs. 10,000 was purchased on 31st March 2019. Prepare Machinery account for four years providing depreciation at the rate of 5% per annum according to fixed Instalment method. **6**

- Q.5 i. What do you understand by Cost Accounting? Give any three objectives of it. **4**
 ii. The Anand Trading Ltd manufactures one identical product 'Y'. The following figures are available for two successive years: **6**

Particulars	Year I	Year II
Sales	3,00,000	3,60,000
Fixed cost	90,000	1,20,000
Variable costs	1,50,000	2,16,000

The directors are interested to know for the two years:

(a) P/V Ratio (b) Breakeven point (c) Margin of safety

- OR iii. Describe any three methods of Costing. **6**

Q.6 Attempt any two:

- i. Explain any five importance of Management Accounting. **5**
 ii. Following is the Balance Sheet of Jay Company Ltd. as on 31st December 2019. **5**

Liabilities	Amount	Assets	Amount
Creditors	3,600	Debtors	8,500
Bank Overdraft	1,125	Stock	6,600
Provision for Taxation	2,000	Machinery	4,900
Provision for Depreciation	2,000	Building	12,000
Paid-up Capital	20,000	Goodwill	3,000
Reserves	5,000		35,000
Profit & Loss A/c	1,275		
Total-	35,000	Total-	35,000

Sales for the year 84,000, Average Stock 6,300 & Gross Profit 21,000

From above information find out the following ratios:

- (a) Current Ratio (b) Liquid Ratio
 (c) Debtors Turnover Ratio (d) Gross Profit Ratio
 (e) Proprietary Ratio

- iii. What do you mean by Financial Statements? Explain its types. **5**



Programme: MBA

Branch/Specialisation: Management

Duration: 3 Hrs.

Maximum Marks: 60

Note: All questions are compulsory. Internal choices, if any, are indicated. Answers of Q.1 (MCQs) should be written in full instead of only a, b, c or d.

- Q.1 i. Journal is a book of **1**
 (a) Original Records (b) Cash Records
 (c) Secondary Records (d) Credit Records
- ii. The policy 'Anticipate no profit and provide for all possible losses' is due to **1**
 (a) Convention of Consistency (b) Convention of Conservatism
 (c) Convention of Disclosure (d) Convention of Materiality
- iii. The main object of Final Accounts is **1**
 (a) To know Net Profit (b) To know Capital
 (c) To know Sales (d) To know Financial Position
- iv. Amount received but Services are not given represents the **1**
 (a) Prepaid Expenses (b) Accrued Income
 (c) Unearned Income (d) Outstanding Expenses
- v. A company purchased vehicle for Rs 6000. It will be used for 5 years and its residual value is expected to be Rs 1000. What is the annual value of depreciation using straight line method depreciation. **1**
 (a) 1000 (b) 2000 (c) 3000 (d) 3300
- vi. On Deposited Cheque into bank but not collected then, to match with Pass Book Balance by following **1**
 (a) Add in the Cash Balance (b) Less from the Cash Balance
 (c) Both (a) and (b) (d) None of these
- vii. Profit Volume Ratio is relation between **1**
 (a) Sales & Gross Profit (b) Sales & Contribution
 (c) Contribution & Fixed Cost (d) Variable Cost & Fixed Cost
- viii. Total Cost – Marginal Cost = **1**
 (a) Prime Cost (b) Fixed Cost (c) Variable Cost (d) Factory Cost
- ix. In calculation of liquid ratio from the following which doesn't include in the liquid asset **1**
 (a) Debtors (b) Cash & Bank
 (c) Stock & Prepaid Expenses (d) Bills Receivable

- x. Average Collection Period can be finding out by following **1**
- (a) Net Credit Sales / Average Receivables
- (b) Average Receivables / Net Credit Sales \times 360 Days
- (c) Net Credit Sales / Average Receivables \times 100
- (d) None of these

- Q.2 i. Explain the meaning of Accounting Equation and Conservatism **4**
- ii. Prepare Three Column Cash Book of Mahendra Bros. from the following transactions of year 2019 **6**

1 March	Cash in Hand Rs. 2,000, Cash at Bank 2,500
2 March	Received Cash from Babulal Rs. 990, given discount to him Rs. 10
3 March	Sold goods to Chetan for Cash Rs. 500
8 March	Goods Purchased from Sunder & Cheque issued Rs. 640
10 March	Cheque received from Mohan Rs.720, given discount to him 30
12 March	Cheque of Mohan deposited into Bank.

- OR iii. What do you mean by Financial Accounting? Give any five advantages of accounting. **6**

- Q.3 i. What are the objectives of preparing the final accounts? **2**
- ii. Prepare the Final Accounts form the following balances taken from the books of Mohan & Co. as on 31st December 2019 **8**

Particulars	Amount	Particulars	Amount
Purchase	16,000	Sales	30,000
Discount	1,300	Mortgage Loan	3,050
Wages	6,500	Capital	10,655
Travelling Charges	500	Creditors	2,100
Freight	275		
Insurance	150		
Commission	325		
Rent & Taxes	500		
Cash in Hand	25		
Cash at Bank	2,725		
Carriage Outward	195		
Repairs	105		

Misc. Expenses	55		
Salaries	2,000		
Interest on Mortgage Loan	150		
Building	4,000		

Machinery	1,500		
Horses & Carts	500		
Stock on 1 st January	5,750		
Debtors	3,250		
Total-	45,805	Total-	45,805

Adjustments:

- (a) Rent & Taxes paid in advance Rs. 30.
- (b) Depreciation on building 2.5% and on Machinery 5% is to be deducted.
- (c) Rs. 20 is not paid for Insurance.
- (d) Stock at 31st December 2019 was valued at Rs. 6,075.

- OR iii. Following are the balances extracted from the books of Girdhar Gopal. You are required to prepare a Trial Balance from them as on 31st March 2019. **8**
- Capital 4,000, Drawings 450, Furniture 550, Plant & Machinery 750, Stock 950, Purchase Return 150, Office Expenses 250, Trade Expenses 150, Wages 900, Sales 3,390, Salaries 425, Carriages 125, Purchase 1,680, Sales Return 125, Bad Debts 80, Interest & Discount (Cr.) 35, Bad Debts Reserve 45, Rent 120, Rates & Taxes 65, Debtors 1,250, Creditors 680, Cash at Bank 300, Cash in Hand 130.

- Q.4 i. Explain the impact of any four transactions to be entered in Pass Book and not in the Cash. Book in Bank Reconciliation Statement. **4**
- ii. Prepare a Bank Reconciliation Statement from the following as on 31st December 2018 **6**
- (a) Overdraft (Debit Balance) as per Pass Book Rs. 6,750.50
- (b) Cheque and Cash worth Rs. 5,480 deposited into bank on 25th December 2018 but an amount of a cheque of Rs. 480 was credited on 3rd January 2019.
- (c) Cheque issued to Ram Krishna and Co. for Rs. 6000 on 20th December 2018, was presented for payment on 8th January 2019.
- (d) One of our Debtors, Shri Nandlal deposited directly Rs. 200 into the Bank in our account.
- (e) Rajesh Kumar, a partner directly withdrew Rs. 100 from the Bank.
- (f) Interest charged by Bank Rs. 50.

P.T.O.

Marking Scheme

MS5CO17 Accounting for Managers

Q.1	i.	Journal is a book of	1
		(a) Original Records	
	ii.	The policy 'Anticipate no profit and provide for all possible losses' is due to	1
		(b) Convention of Conservatism	
	iii.	The main object of Final Accounts is	1
		(d) To know Financial Position	
	iv.	Amount received but Services are not given represents the	1
		(a) Prepaid Expenses	
	v.	A company purchased vehicle for Rs 6000. It will be used for 5 years and its residual value is expected to be Rs 1000. What is the annual value of depreciation using straight line method depreciation.	1
		(a) 1000	
	vi.	On Deposited Cheque into bank but not collected then, to match with Pass Book Balance by following	1
		(b) Less from the Cash Balance	
	vii.	Profit Volume Ratio is relation between	1
		(b) Sales & Contribution	
	viii.	Total Cost – Marginal Cost =	1
		(b) Fixed Cost	
	ix.	In calculation of liquid ratio from the following which doesn't include in the liquid asset	1
		(c) Stock & Prepaid Expenses	
	x.	Average Collection Period can be finding out by following	1
		(b) Average Receivables / Net Credit Sales × 360 Days	
Q.2	i.	Meaning of Accounting Equation and Conservatism Convention	4
		(2 marks*2)	
	ii.	For every right Journal Entry each carry	6
		(1 mark*6)	
OR	iii.	Meaning of Financial Accounting	6
		Five advantages of accounting.	
		(1 mark*5)	
Q.3	i.	Objectives of preparing the final accounts	2
	ii.	For Trading A/c	8
		For P & L. A/c	
		3 marks	
		For Balance sheet	
		3 marks	
		If answer is not correct, only adjustments are rightly shown & given two impact then for each adjustment (1 mark*4)/Step wise marking	
OR	iii.	For Trial balance (Step wise marking)	8
Q.4	i.	Any four transaction	4
		(1 mark*4)	
	ii.	For every right entry in BRS	6
		(1 mark*6)	

OR	iii	For every correct one year	(1.5 mark*4)
		(Step wise marking)	
Q.5	i	Meaning of Cost Accounting	1 mark
		Any three objectives of it.	(1 mark*3)
	ii	For each answer	(2 marks*3)
OR	iii	Any three methods of Costing.	(2 marks*3)
Q.6		Attempt any two:	
	i	Five importance of Management Accounting.	(1 mark*5)
	ii	Each correct ratio	(1 mark*5)
	iii	Meaning of Financial Statements	2 marks
		Types.	3 marks
