

- [4]
- OR iii Mr Aryan purchased a machinery as follows-
 Date of purchase _____ cost of machine (Rs.).
 (a) 1.4.2010 → 60,000 (b) 1.10.2010 → 40,000
 (c) 1.7.2011 → 20,000
 On 1.1.2012 one-third of the machinery which was purchased on 1.4.2010 became obsolete and was sold for Rs. 6,000. The machinery was to be depreciated by diminishing balance method at 10% p a.
 Show how the machinery account would appear in the ledger of the company for the years 2010, 2011 and 2012. Assume that the accounting year of the company ends on 31st December every year.

- Q.5 i. What is cost centre? 2 1 4 1
 ii. What is cost? Explain importance of cost accounting? 8 2 4 1
 OR iii. Star India places before you the following trading results: 8 3 4 1

Year	Sales	Profit
2003	160000	8000
2004	144000	3200

Find Out: -

- (a) P/V Ratio
 (b) Fixed Cost
 (c) Profit when Sales is Rs 200000
 (d) Sales in Rs when desire Profit is Rs 40000

Attempt any two:

- Q.6 i. Discuss the various objectives of management accounting? 5 2 5 1
 ii. Explain the various tools of financial statement analysis. 5 2 5 1
 iii. Following is the details of Mandhar LTD 5 3 5 1
- | | |
|------------------------|-----------|
| Sales (40% cash sales) | 15,00,000 |
| Less: Cost of sales | 7,50,000 |
| Gross Profit: | 7,50,000 |
| Less: Office Exp. | 1,25,000 |
| Selling Ex | 1,25,000 |
| Profit before Taxes: | 5,00,000 |
| Less: Taxes | 2,50,000 |
| Net Profit: | 2,50,000 |
- Find Out:-
 (a) Gross profit ratio
 (b) Net Profit Ratio

Total No. of Questions: 6

Total No. of Printed Pages: 4

Enrollment No.....



Faculty of Management Studies

End Sem Examination Dec 2024

MS5CO28 Financial Accounting for Managers

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. Assume suitable data if necessary. Notations and symbols have their usual meaning.

- | | Marks | BL | PO | CO | PSO |
|--|-------|----|----|----|-----|
| Q.1 i. A person to whom goods is purchase by the businessman on credit is known as- | 1 | 1 | 1 | 1 | |
| (a) Creditor (b) Debtor | | | | | |
| (c) Lender (d) Banker | | | | | |
| ii. When a businessman invest money in the business to earn more profit it is known as- | 1 | 1 | 1 | 1 | |
| (a) Purchase (b) Sales | | | | | |
| (c) Capital (d) Drawings | | | | | |
| iii. The object of trial balance is to check the correctness of- | 1 | 1 | 2 | 1 | |
| (a) Journal (b) Ledger Accounts | | | | | |
| (c) Final Accounts (d) None of these | | | | | |
| iv. If closing stock is appearing in the trial balance. it shows in- | 1 | 1 | 2 | 1 | |
| (a) P & L A/c only | | | | | |
| (b) Trading A/c Only | | | | | |
| (c) Balance Sheet Only | | | | | |
| (d) Trading A/c & Balance Sheet both | | | | | |
| v. A Machinery costing Rs 2,00,000 has a useful life of 10 years. Determine the annual depreciation charge using straight line method. Assume salvage value to be Rs 10,000. | 1 | 1 | 3 | 1 | |
| (a) 14000 (b) 19000 | | | | | |
| (c) 13750 (d) 15000 | | | | | |

[2]

- vi. Salvage value means- **1** 1 3 1
 (a) Cash to be paid when asset is disposed off
 (b) Estimated disposal value
 (c) Definite sale price of the asset.
 (d) None of these
- vii. Cost accounting has developed due to the _____ of financial accounting- **1** 1 4 1
 (a) Advantages (b) Limitations
 (c) Expansion (d) All of these
- viii. Process Costing is Implemented in which of the following Industry: **1** 1 4 1
 (a) Soap (b) Rubber
 (c) Dairy (d) All of these
- ix. Management accounting is related to- **1** 1 5 1
 (a) Recording of accounting data
 (b) Recording of costing data
 (c) Presentation of accounting data
 (d) All of these
- x. Current Assets do not include- **1** 1 5 1
 (a) Cash (b) Land
 (c) Stock (d) Debtors
- Q.2 i. Discuss any two advantages of accounting. **2** 1 1 1
 ii. With suitable example, Explain any eight concepts of accounting? **8** 2 1 1
- OR iii. Journalize the following transaction in the book of Mr. Manoj. **8** 3 1 1
 (a) Manoj started business with cash Rs. 10000
 (b) Bought goods from Vijay Rs. 5000
 (c) Purchase laptop for cash Rs. 800
 (d) Sold goods to Mahesh Rs. 1600
 (e) Paid Vijay Rs. 4800 in full and final settlement
 (f) Sold goods Naina Rs. 8000
 (g) Received from Mahesh Rs. 1540 and allowed him discount Rs. 60
 (h) Paid Salary Rs. 80
- Q.3 i. Discuss the objectives of preparing trial balance? **2** 2 2 1
 ii. Explain trading a/c & profit & loss a/c along with proper perform of both accounts? **8** 2 2 1

[3]

- OR iii. From the following trial balance of STAR LTD, prepare trading and profit & loss account for the year ending 31st March 2023 and a balance sheet on the same date after making necessary adjustments - **8** 4 2 1

Adjustments:

Name of Account	L.F.	Debit Amount (Rs.)	Credit Amount (Rs.)
Stock on 01 April, 2022		12,000	-----
Capital		-----	62,000
Purchases		40,000	-----
Discount Received		-----	400
Sales		-----	86,000
Sales Returns		6,000	-----
Building		50,000	-----
Debtors		16,000	-----
Salaries		2,400	-----
Office Expenses		1,200	-----
Wages		10,000	-----
Purchases Returns		-----	4,000
Interest		-----	800
Travelling Expenses		400	-----
Fire Insurance		800	-----
Machinery		20,000	-----
Carriage Inward		700	-----
Commission		500	-----
Cash-in-hand		2,500	-----
Rent and Taxes		1,800	-----
Creditors		-----	10,800
		1,64,000	1,64,000

- (a) Closing stock was Rs. 16,000.
 (b) Wages Rs.2,000 and salaries Rs. 1,200 are outstanding.
 (c) Rent for two months at the rate of Rs.500 per month is outstanding.
 (d) Depreciation Building by 5% and Machinery by 10%.
 (e) Prepaid insurance Rs. 200.

- Q.4 i. Discuss the reducing balance method of charging depreciation? **2** 2 3 1
 ii. What is the meaning of depreciation? Explain various causes of providing depreciation? **8** 2 3 1

Marking Scheme

MS5CO28 (T) Financial Accounting for Managers (T)

Q.1	i) (a) Creditor	1
	ii) (c) Capital	1
	iii) (b) Ledger Accounts	1
	iv) (c) Balance Sheet Only	1
	v) (b) 19000	1
	vi) (b) Estimated disposal value	1
	vii) (b) Limitations	1
	viii) (d) All of the above	1
	ix) (c) Presentation of accounting data	1
	x) (b) Land	1
Q.2	i. TWO ADVANTAGE (2*1 MARKS)	2
	ii. EIGHT CONCEPTS (8*1 MARKS)	8
OR	iii. Journalize the following transaction in the book of Mr Manoj	8
	1. Manoj started business with cash Rs. 10000	
	2. Bought goods from Vijay Rs. 5000	
	3. Purchase laptop for cash Rs. 800	
	4. Sold goods to Mahesh Rs. 1600	
	5. Paid Vijay Rs. 4800 in full and final settlement	
	6. Sold goods Naina Rs. 8000	
	7. Received from Mahesh Rs. 1540 and allowed him discount Rs. 60	
	8. Paid Salary Rs. 80	
	PER JOURNAL ENTRY 1 MARKS	
Q.3	i. TWO OBJECTIVES (2*1 MARKS)	2
	ii. TRADING A/C & PROFIT & LOSS A/C MEANING 4 MARKS	8
	TRADING A/C & PROFIT & LOSS A/C PROFORMA 4 MARKS	
OR	iii. From the following Trial Balance of STAR LTD, prepare Trading and Profit & Loss Account for the year ending 31 st March 2023 and a Balance Sheet on the same date after making necessary adjustments :	8

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Cash-in-hand		2,500	-----
Rent and Taxes		1,800	-----
Creditors		-----	10,800
		1,64,000	1,64,000

Adjustments :

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- Rent for two months at the rate of Rs.500 per month is outstanding.
- Depreciation Building by 5% and Machinery by 10%.
- Prepaid insurance Rs. 200.

AS PER THE SOLUTION 8 MARKS

Q.4	i. MEANING 2 MARKS	2
	ii. EIGHT CAUSES (8*1 MARKS)	8
OR	iii. Mr Aryan Purchased a machinery as follows :	8
	Date of Purchase -----Cost of Machine (Rs.)	
	• 1.4.2010 → 60,000	

- 1.10.2010→ 40,000
- 1.7.2011 →20,000

On 1.1.2012 one-third of the machinery which was purchased on 1.4.2010 became obsolete and was sold for Rs. 6,000. The machinery was to be depreciated by Diminishing balance Method at 10% p.a. Show how the Machinery Account would appear in the ledger of the Company for the years 2010, 2011 and 2012. Assume that the accounting year of the Company ends on 31st December every year.

AS PER THE SOLUTION 8 MARKS

Q.5 i. What is Cost Centre? **2**

MEANING 2 MARKS

ii. Briefly discuss the importance of Cost Accounting? **8**

EIGHT IMPORTANCE (8*1 MARKS)

OR iii. Star India places before you the following trading results: **8**

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Find Out:-

- P/V Ratio
- Fixed Cost
- Profit when Sales is Rs 200000
- Sales in Rs when desire Profit is Rs 40000

• **P/V RATIO 2 MARKS**

• **FIXED COST 2 MARKS**

• **PROFIT WHEN SALES IS RS 200000 2 MARKS**

• **SALES IN RS WHEN DESIRE PROFIT IS RS 40000 2 MARKS**

Attempt Any Two

Q.6 i. Discuss the various objectives of Management Accounting? **5**

FIVE OBJECTIVES (5*1 MARKS)

ii. Explain the various Tools of Financial Statement Analysis? **5**

FIVE TOOLS (5*1 MARKS)

iii. Following is the details of Mandhar LTD : **5**

Sales (40% cash sales) 15,00,000

Less: Cost of sales 7,50,000

Gross Profit: **7,50,000**

Less: Office Exp. 1,25,000

Selling Ex 1,25,000 2,50,000

Profit before Taxes: **5,00,000**

Less: Taxes 2,50,000

Net Profit: **2,50,000**

Find Out:-

(1) Gross profit ratio

(2) Net Profit Ratio

GROSS PROFIT RATIO 2.5 MARKS

NET PROFIT RATIO 2.5 MARKS
