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

8

Year	Sales	Profit
2003	80000	4000
2004	72000	1600

Find Out-

- (a) P/V Ratio
- (b) Fixed Cost
- (c) Profit when Sales is Rs 100,000
- (d) Sales in Rs when desire Profit is Rs 3,000

Q.6 Attempt any two:

- i. Management accounting helps in effective decision making for an organization. Give reason for your answer? **5**
- ii. Explain various Techniques of Financial Statement Analysis? **5**
- iii. The details of Shreenath Company are as under: **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 Exp.	1,25,000	2,50,000
Profit before taxes		5,00,000
Less: Taxes	2,50,000	
Net Profit		2,50,000

Find out gross profit ratio and net profit ratio.

Total No. of Questions: 6

Total No. of Printed Pages:4

Enrollment No.....



Faculty of Management Studies
End Sem (Odd) Examination Dec-2022
MS5CO20 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.

- Q.1 i. A person to whom goods is sold by the businessman, it is known as- **1**
(a) Creditor (b) Debtor (c) Lender (d) Banker
- ii. When a businessman uses some goods or money of the business for this personal use, it is known as- **1**
(a) Purchase (b) Asset (c) Liability (d) Drawings
- iii. Which of the following errors is not disclosed by Trial Balance? **1**
(a) Errors of Omission (b) Errors of Commission
(c) Errors of Balance (d) Errors of Principal
- iv. Bad Debts Reserve shown in adjustment is recorded in- **1**
(a) P & L. A/c only (b) Trading A/c
(c) Balance Sheet only (d) Both (a) and (c)
- v. A furniture costing Rs 1,00,000 has a useful life of 20 years. Determine the annual depreciation charge using straight line method. Assume salvage value to be Rs 20,000- **1**
(a) 4000 (b) 3000 (c) 3750 (d) 5000
- vi. Depreciation arises because of- **1**
(a) Increase in the market value of an asset
(b) Physical wear and tear
(c) Fall in the value of money
(d) Increase in life of asset
- vii. Element/s of Cost of a product are- **1**
(a) Material only (b) Labour only
(c) Expenses only (d) All of these
- viii. Process costing is not implemented in which of the following Industry- **1**
(a) Soap (b) Rubber (c) Dairy (d) Construction

P.T.O.

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- ix. Management accounting deals with- **1**
 (a) Quantitative information (b) Qualitative information
 (c) Both (a) and (b) (d) None of these
- x. Liquid Assets do not include- **1**
 (a) Cash (b) Bank (c) Stock (d) Debtors
- Q.2 i. Define the term Accounting. **2**
 ii. Explain with example any eight concepts of accounting. **8**
- OR iii. Journalize the following transaction in the book of Mr Harish: **8**
 (a) Harish started business with cash Rs. 10000
 (b) Bought goods from Manohar Rs. 5000
 (c) Purchase furniture for cash Rs. 800
 (d) Sold goods to Charanjeet Rs. 1600
 (e) Paid Manohar Rs. 3000
 (f) Sold goods Vadva Ram Rs. 2000
 (g) Received from Charanjeet Rs.1540 & allowed him discount Rs.60
 (h) Paid wages Rs.80
- Q.3 i. What is trial balance? **2**
 ii. Explain Trading a/c & Profit & Loss a/c along with proper Performa of both accounts. **8**
- OR iii. From the following trial balance of Rohit Sharma, prepare Trading and Profit & Loss Account for the year ending 31st March 2016 and a Balance Sheet on the same date after making necessary adjustments- **8**

Name of Account	L.F.	Debit Amount (Rs.)	Credit Amount (Rs.)
Stock on 01 April, 2015		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	-----

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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

Adjustments:

- (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 fixed instalment method of charging depreciation. **2**
 ii. Explain the Various Objectives of Providing Depreciation. **8**
- OR iii. ABC. Co. Purchased machinery as follows: **8**

Date of Purchase	Cost of Machine (Rs.)
1.4.2006	60,000
1.10.2006	40,000
1.7.2007	20,000

On 1.1.2008 one-third of the machinery which was purchased on 1.4.2006 became obsolete and was sold for Rs. 6,000. The machinery was to be depreciated by Fixed Instalment Method at 10% p a. Show how the Machinery Account would appear in the ledger of the Company for the years 2006, 2007 and 2008. Assume that the accounting year of the Company ends on 31st December every year.

- Q.5 i. Discuss any two functions of Cost Accounting? **2**
 ii. Explain the various Methods of costing with proper example? **8**

Marking Scheme

MS5CO20 Accounting for Managers

Q.1	i)	A person to whom goods is sold by the businessman, it is known as: (a) Creditor (b) Debtor (c) Lender (d) Banker	1
	ii)	When a businessman uses some goods or money of the business for this personal use, it is known as: (a) Purchase (b) Asset (c) Liability (d) Drawings	1
	iii)	Which of the following errors is not disclosed by Trial Balance : (a) Errors of Omission (b) Errors of Commission (c) Errors of Balance (d) Errors of Principal	1
	iv)	Bad Debts Reserve shown in adjustment is recorded in : (a) P & L. A/c only (b) Trading A/c (c) Balance Sheet Only (d) P. & L. A/c & Balance Sheet both	1
	v)	A furniture costing Rs 1,00,000 has a useful life of 20 years. Determine the annual depreciation charge using straight line method. Assume salvage value to be Rs 20,000. : (a) 4000 (b) 3000 (c) 3750 (d) 5000	1
	vi)	Depreciation arises because of: (a) Increase in the market value of an asset (b) Physical wear and tear (c) Fall in the value of money. (d) Increase in life of asset	1
	vii)	Element/s of Cost of a product are:: (a) Material only (b) Labour only (c) Expenses only (d) Material, Labour and Expenses	1
	viii)	Process Costing Is Not Implemented in which of the following Industry: (a) Soap (b) Rubber (c) Dairy (d) Construction	1
	ix)	Management accounting deals with : (a) Quantitative information (b) Qualitative information (c) Both Qualitative and Quantitative (d) Neither Qualitative nor quantitative	1
	x)	Liquid Assets do not include : (a) Cash (b) Bank (c) Stock (d) Debtors	1

Q.2	i.	Define the term Accounting? DEFINATION (2 MARKS)	2																																
	ii.	Explain with example any Eight Concepts of Accounting ? EIGHT CONCEPTS (1*8 MARKS)	8																																
OR	iii.	Journalize the following transaction in the book of Mr Harish: 1. Harish started business with cash Rs. 10000 2. Bought goods from Manohar Rs. 5000 3. Purchase furniture for cash Rs. 800 4. Sold goods to Charanjeet Rs. 1600 5. Paid Manohar Rs. 3000 6. Sold goods Vadva Ram Rs. 2000 7. Received from Charanjeet Rs. 1540 and allowed him discount Rs. 60 8. Paid wages Rs. 80 PER ENTRY 1 MARKS(1*8 MARKS)	8																																
Q.3	i.	What is Trial Balance? MEANING (1 MARKS) FORMAT (1 MARKS)	2																																
	ii.	Explain Trading a/c & Profit & Loss a/c along with proper Performa of both accounts? TRADING A/C (4 MARKS) P& L A/C (4 MARKS)	8																																
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		Adjustments : 1. Closing stock was Rs. 16,000. 2. Wages Rs.2,000 and salaries Rs.1,200 are outstanding. 3. Rent for two months at the rate of Rs.500 per month is outstanding. 4. Depreciation Building by 5% and Machinery by 10%. 5. Prepaid insurance Rs. 200. AS PER THE SOLUTION (8 MARKS)			
Q.4	i.	Discuss the Fixed Instalment method of Charging Depreciation?			2
		MEANING 2 MARKS			
	ii.	Explain the Various Objectives of Providing Depreciation?			8
		FOUR OBJECTIVE (2*4 MARKS)			
OR	iii.	ABC. Co. Purchased machinery as follows : Date of Purchase -----Cost of Machine (Rs.) <ul style="list-style-type: none"> 1.4.2006 → 60,000 1.10.2006→ 40,000 1.7.2007 →20,000 On 1.1.2008 one-third of the machinery which was purchased on 1.4.2006 became obsolete and was sold for Rs. 6,000. The machinery was to be depreciated by Fixed Instalment Method at 10% p a. Show how the Machinery Account would appear in the ledger of the Company for the years 2006, 2007 and 2008. Assume that the accounting year of the Company ends on 31st December every year. AS PER THE SOLUTION (8 MARKS)			8

Q.5	i.	Discuss any two functions of Cost Accounting? TWO FUNCTION (1*2 MARKS)		2									
	ii.	Explain the various Methods of costing with proper example? EIGHT METHODS (1*8 MARKS)		8									
OR	iii.	Star India places before you the following trading results: <table><tr><td>Year</td><td>Sales</td><td>Profit</td></tr><tr><td>2003</td><td>80000</td><td>4000</td></tr><tr><td>2004</td><td>72000</td><td>1600</td></tr></table> <p>Find Out:-</p> <ul style="list-style-type: none">• P/V Ratio• Fixed Cost• Profit when Sales is Rs 100000• Sales in Rs when desire Profit is Rs 3000 AS PER THE SOLUTION (4*2 MARKS)		Year	Sales	Profit	2003	80000	4000	2004	72000	1600	8
Year	Sales	Profit											
2003	80000	4000											
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Q.6	i.	Management accounting helps in effective decision making for an organization. Give reason for your answer? AS PER EXPLANATION (5 MARKS)		5									
	ii.	Explain various Techniques of Financial Statement Analysis? FIVE TECHNIQUES (1*5 MARKS)		5									
	iii.	The details of Shreenath Company are as under: 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 AS PER THE SOLUTION (2*2.5 MARKS)		5									
