NATIONAL INSTITUTE OF TECHNOLOGY GOA

Farmagudi, Ponda, Goa-403401

Programme Name: B.Tech (CSE)

Mid Semester Examinations, September 2023

Course Name: Management	Course Code: HS 400
Date:29-09-2023	Time: 09-30:11.00 AM
Duration: 1 Hour 30 Minutes	Max. Marks: 50

ANSWER ALL QUESTIONS

1. Distinguish between trend analysis and common size analysis with the help of suitable examples. **[4]**

2. Write on various accounting principles with the help of examples **[5]**

3. The debt-equity ratio of X Ltd. is 0.5: 1. Which of the following would increase/decrease or not change the debt-equity ratio? State with reason/s **[5]**
   (i) Further issue of equity shares *(ii)* Cash received from debtors *(iii)* Sale of goods on a cash basis *(iv)* Redemption of debentures *(v)* Purchase of goods on credit

4. How do you define the term 'Management'? What are the different processes involved in management? In what way is management different from administration? **[5]**

5. Managers' roles and functions keep changing according to their organisational levels. Further, at each level, their required skills also vary. Comment on managers' roles, skills and functions based on their organisational level. **[5]**

6. (6a) What do you mean by journaling transactions? (6b) How do you decide which amount will be credited and debited? (6c) Enter the following transactions into a journal format. **[5]**

   On 6/1, a company paid rent of $2,000 for June
   On 6/5, a customer paid $800 cash for services the company provided

7. From the following transactions, prepare ledgers for cash, machinery and purchase. **[5]**

   1. The business started with Rs. 1,00,000
   2. Bought machinery for Rs. 15,000 and furniture for Rs. 10,000
   3. Purchased goods of Rs. 20,000 with cash
   4. Bought Stationery for Rs. 500
   5. Cash deposited into the bank Rs. 40,000
   6. Goods sold to Matt for Rs. 15,000
   7. Purchased goods from Uday of Rs. 30,000
   8. Being Rs. 5,000 rent paid for premises
   9. A cheque received from Matt of Rs. 15,000
   10. Defective goods returned to Uday returned of Rs. 2,000

[PTO]

8. There are three approaches to working capital- aggressive, moderate and conservative policies, and their level of operations is as follows.
(*Aggressive policy- Investment in working capital (CA) is minimal. Conservative policy- Invest high capital in current assets. Moderate policy- The approach is between the above two policies and follows a balance between risk and return*).
The firm uses the current asset-to-fixed asset ratio for measuring its liquidity. For calculating return on asset(ROA), the firm uses the ratio between EBIT and total assets. Suppose Pvt. LTD. firm has the following data to share with us (As of 31st March 2021)

Descriptions	Amount in ₹
Sales (100,000 @ ₹ 20)	20,00,000
Earning Before Interest and Taxes (EBIT)	200,000
Fixed asset	500,000

Suppose the firm has three possible current asset holdings: such as ₹500,000, ₹400,000, and ₹300,000. It is assumed that the fixed asset level is constant and profits do not vary with current assets level. Analyse the effects of three current asset assets policies concerning ROA and liquidity.
[6]

9. Mr Frederich owns a manufacturing business. The following information is extracted from his income statement for the last three years. [6+3=1=**10** Marks]

		2014	2015	2016
Sales Revenue		£72 450	£76 250	£77 750
	Opening Stock	£6 450 ⌉+ 4p	£6 550	£7 450
	Purchases	£26 550 ⌋	£29 750 } 47,400	£31 250
	Closing Stock	£6 550 − 26450	£7 450	£8 450
Cost of Sales		A	£28 850 11	£30 250
Gross Profit		£46 000	C 76250 −28850 £47 500	
	Rates	£4 750 ⌉	£4 850	£4 950 ⌉
	Rent	£5 200 ⎬ −	£5 300	£5 400 ⎬ +
	Wages	£7 000 ⌋	£7 750	£9 000 ⌋
Total Expenses		£16 950	£17 900	B 19350
Net Profit	63.4%	D 29050	£29 500	£28 150
GPM		63.5% 72450	E 62.16	61.1%
NPM	40%	G	38.7%	F 36.2 %

a) Calculate the missing figures from A to F using the above information from the table.
b) Evaluate the firm based on its sales revenue, Gross profit and NPM
c) Did you observe any linkage between its total expenses and GPM?

SR ↑ over three year indicating growth
GP → relatively steady indicating that firm efficiency

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in converting sale into profit not changed significally

NPM → effective of maintaining overall cost
GP → efficient producing g&s