

Code: 17BA1T3

**I MBA - I Semester - Regular/Supplementary Examinations  
July 2021**

**ACCOUNTING FOR MANAGERS**

Duration: 3 hours

Max. Marks: 60

**SECTION-A**

**1. Answer the following:**

**5 x 2 = 10 M**

- a) Accounting.
- b) Financial Statement.
- c) Financial Analysis.
- d) Breakeven point.
- e) Master Budget.

**SECTION – B**

**Answer the following:**

**5 x 8 = 40 M**

2. a) Explain the objectives, Nature and Scope of Financial Accounting.

**OR**

b) What is Double Entry System? How does it differ from Single Entry System?

3. a) What do you mean by Trial Balance. Discuss the main objects, limitations of preparing a Trial Balance.

**OR**

b) What is meant by depreciation? Explain its causes and methods.

4. a) What do you mean by Comparative Balance Sheet Analysis?  
Differentiate between horizontal and vertical analysis.

OR

b) Current Liabilities of a Company are Rs.5,60,000 and Current Ratio is 5:2. The Quick Ratio is 2:1. Find the value of Stock.

5. a) What is CVP Analysis? Explain its applications in the business organisations.

OR

b) From the following data, you are required to calculate:

(i) P/V ratio

(ii) Break-even sales with the help of P/V ratio.

(iii) Sales required to earn a profit of Rs.4,50,000

Fixed Expenses = Rs. 90,000

Variable Cost per unit:

Direct Material = Rs. 5

Direct Labour = Rs. 2

Direct Overheads = 100% of Direct Labour

Selling Price per unit = Rs. 12.

6. a) What is meant by budgetary control system? Explain its advantages and disadvantages?

OR

b) Prepare a Flexible budget for overheads on the basis of the following data. You are required to ascertain the overhead rates at 50% and 60% capacity.

<b>Variable overheads:</b>	<b>At 60% capacity (Rs)</b>
Indirect Material	6,000
Labour	18,000

**Semi-variable overheads:**

Electricity: (40% Fixed & 60% variable) 30,000

Repairs: (80% fixed & 20% Variable) 3,000

**Fixed overheads:**

Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total overheads	93,000

Estimated direct labour hours 1,86,000.

**SECTION-C**

**7. Case Study**

**1 x 10 = 10 M**

From the following balances, prepare the Trading and Profit and Loss Account and Balance Sheet as on March 31, 2018.

Debit Balances	Amount (Rs)	Credit Balances	Amount (Rs)
Drawings	6,300	Capital	1,50,000
Cash at bank	13,870	Discount received	3,000
Bills receivable	1,860	Loans	15,000

Loan and Building	42,580	Purchase returns	1,500
Furniture	5,130	Sales	2,81,500
Discount allowed	3,960	Reserve for Bad Debts	4,950
Bank charges	100	Creditors	19,250
Salaries	6,420		
Purchases	2,00,000		
Stock (opening)	60,250		
Sales return	1,870		
Carriage	5,170		
Rent and Taxes	7,680		
General expenses	3,630		
Plant and Machinery	31,640		
Book debts	82,740		
Bad debts	1,250		
Insurance	750		
	4,75,200		4,75,200

Adjustments:

- a) Closing stock Rs. 70,000.
- b) Create a reserve for bad and doubtful debts @ 10% on book debts.
- c) Insurance prepaid Rs. 50.
- d) Rent outstanding Rs. 150.
- e) Interest on loan is due @ 6% p.a.