

Total No. of Questions - 10]  
(2022)

[Total Pages : 4

**9166**

**M.B.A. (Ist Semester) Examination**

**ACCOUNTING FOR MANAGERS**

Paper : 106

Time : Three Hours]

[Maximum Marks : 60

*The candidates shall limit their answers precisely within the answer-book (40 pages) issued to them and no supplementary/ continuation sheet will be issued.*

**Note :** Attempt *five* questions in all, selecting *one* question from each unit. Each question carries equal marks.

**UNIT-I**

1. Discuss briefly the basic accounting concepts and fundamental accounting assumptions.
2. What is special purpose subsidiary book ? Give a specimen of such a book showing at least five entries.

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## UNIT-II

3. The following balances appeared in the trial balance of X on December 31, 2018 :

	Rs.
Debtors	1,00,000
Bad debts	5,000
Provision for bad debts	6,000

It was found that bad debts worth Rs. 3,000 were not recorded in the books till Dec. 2018. It was decided that a provision for bad debts equal to 8 percent on the closing debtors will be adequate. You are required to prepare bad debts accounts and provision for bad debts account. Also show how these items would be appeared in profit and loss account and balance sheet.

4. Discuss the purposes behind a balance sheet presented by a company.

## UNIT-III

5. Define depreciation. Why is depreciation provided ? How does depreciation differ from obsolescence, fluctuations, amortization, depletion and renewals.
6. A plant is purchased for Rs. 60,000 on 1st January, 2010. It is estimated that the residual value of this plant at the end of its working life of 8 years will be Rs. 20,920. Depreciation is to be provided @ 10% P.a. on diminishing balance method. You are required to show the plant account for 4 years, assuming that the books are closed on 31st December every year.

## UNIT-IV

7. "A funds flow statement is better than income statement". Discuss.
8. X Ltd. provides you the following information :

	Rs.
Plant and Machinery on 1-1-2018 at cost	8,50,000
Plant and Machinery on 31-12-2018 at cost	9,32,000
Accumulated Depreciation on 1-1-2018	4,25,000
Accumulated Depreciation 31-12-2018	4,40,000

During the year 2018, the company provided depreciation amount to Rs. 80,000 and a machine costing Rs. 1,05,000 was sold at a profit of 20% on book value.

Calculate the amount of Sources and Application of funds due to above transactions.

## UNIT-V

9. Define Marginal Costing. State its usefulness as a tool for Corporate decisions.
10. From the following information calculate :
- (a) Gross Profit Ratio.
  - (b) Net Profit Ratio.

- (c) Current Ratio.
- (d) Liquid Ratio.
- (e) Stock Turnover Ratio.

Sales ₹ 2,52,000; Cost of sales ₹ 1,92,000; Net Profit ₹ 36,000; Opening Stock ₹ 30,000; Closing Stock ₹ 50,000  
other Current Assets ₹ 76,000; Fixed Assets ₹ 1,44,000;  
Equity Share Capital ₹ 1,50,000; Long-term Liabilities ₹ 90,000; Current Liabilities ₹ 60,000; Share Premium ₹ 30,000.

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