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[18–HRGPKAC–M1S (N)]

PGDBM/MBA 1st Semester (New Course) Exam., 2018

ACCOUNTING FOR MANAGERS

[PGDBM/MBA (S1) 03]

Full Marks : 80

Time : 3 hours

The figures in the margin indicate full marks for the questions

1. *(a)* Answer the following questions : 1×8=8

(i) Mention the methods of preparing trial balance.

(ii) Define Balance Sheet.

(iii) What is meant by cost management system?

(iv) Name one computer software used in accounting.

(v) Define accounting standard.

(vi) What is meant by personal ledger?

(vii) Give one example of cash flow that is generated from operating activity.

(viii) What is meant by marginal cost?

(b) Choose the correct answer of the following : 1×4=4

(i) Which one of the following is not a financial leverage ratio?

(1) Debt-equity ratio

(2) Debt ratio

(3) Interest coverage ratio

(4) Cash ratio

(ii) Which of the following is not a personal account?

(1) Outstanding salary

(2) Prepaid salary

(3) Salary paid

(4) Prepaid insurance

(iii) According to Dual Aspect Concept

(1) Assets = Capital + Liabilities

(2) Assets = Capital – Liabilities

(3) Assets = Capital

(4) Assets = Fixed Assets + Current Assets

(iv) Trading Account shows

(1) net profit/net loss

(2) opening and closing stock

(3) assets and liabilities

(4) gross profit/gross loss

(c) Fill in the blanks : 1×4=4

(i) Trial balance contains the balances of all accounts from the _____.

(ii) Sources of fund – _____ = change in working capital.

(iii) Purchased book is used to record transactions related to _____.

(iv) The difference between actual cost and standard cost is known as _____.

2. Answer any *five* from the following questions : 2×5=10

(a) Define Book-keeping.

(b) Mention two limitations of accounting.

(c) What is contra entry?

(d) Define income.

(e) What is meant by sales book?

(f) What is meant by process costing?

3. Answer any *four* from the following questions : 3×4=12

(a) Distinguish between cash flow statement and fund flow statement.

(b) Write a note on different types of overheads.

(Continued)

(c) From the following information, calculate debt-equity ratio and current ratio :

	₹
Equity share capital	2,50,000
Profit & Loss Account	25,000
Sundry creditors	35,000
Bills payable	5,000
8% debenture	1,00,000
Capital reserve	1,00,000
Provision for taxation	20,000
Debtors	30,000
Cash	20,000

(d) Write a short note on the classification of assets under the Companies Act.

(e) Write a note on the importance of accounting standard.

4. Answer any *three* from the following questions : 6×3=18

(a) Journalise the following transactions :

			₹
January	1	Ram started business with cash	2,00,000
"	3	Purchases goods	30,000
"	4	Sold goods	10,000
"	8	Purchases goods from Jobi	12,000
"	10	Purchases furniture	6,000
"	15	Rent paid	1,000

(b) From the following transactions, prepare Cash Account, Sales Account and Purchases Account :

Sold goods of ₹ 10,000
Purchases goods of ₹ 22,000
Cash paid to Joli—₹ 3,000
Goods purchase from Rana—₹ 5,000
Goods sold to M/s A. N. Trading—₹ 3,000
Rent received—₹ 200

(c) Discuss the reasons of preparing trial balance by business houses.

(d) Discuss the procedure of determining proper standards of costing.

5. Answer any *three* from the following questions : 8×3=24

(a) What is budgetary control? Discuss the advantages and limitations of budgetary control process.

(b) *(i)* What are the assumptions of cost volume profit analysis?

(ii) A firm sold 600 units of a product at a price of ₹ 40 per unit. The variable cost per unit of the product is ₹ 15 and fixed cost is ₹ 8,000. Calculate the P/V ratio and BEP in units. 4+4

(c) Discuss the tools of management accounting.

(d) From the following balances extracted from the books of M/s R. S. Sons for the year ended 31.03.2016, calculate the amount of gross profit and net profit :

	₹
Opening stock	50,000
Sales	11,00,000
Purchases	6,00,000
Direct expenses	60,000
Administrative expenses	45,000
Rent paid	3,000
Discount received	2,000
Selling expenses	65,000
Painting and stationary	1,000
Closing stock	70,000

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