

Taking into account the following adjustments, prepare Trading and Profit and Loss Account and the Balance Sheet:

- (a) Stock on hand on 30th June, 2006 is Rs. 6,800
 - (b) Machinery is to be depreciated at the rate of 10% and patents at the rate of 20%
 - (c) Salaries for the month of June 2006 amounting to Rs. 1,500 were unpaid.
 - (d) Insurance includes a premium of Rs. 170 on a policy, expiring on 31st December 2006.
 - (e) Wages include a sum of Rs, 2,000 spent on the erection of a cycle shed for employees and customers.
 - (f) A Provision for Bad and Doubtful Debts is to be created to the extent of 5 percent on sundry debtors.
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M.B.A. DEGREE EXAMINATION, JUNE 2010.

First Semester

Marketing

Paper III — ACCOUNTING FOR MANAGERS

Time : Three hours

Maximum : 100 marks

SECTION A — (5 × 6 = 30 marks)

Answer any FIVE questions.

1. Define accounting Concept, Briefly explain various accounting concept.
2. What is tally package. Give its uses.
3. Name the various methods of calculating depreciation.
4. What are the uses of cash flow statement?
5. Briefly explain various types of subsidiary books.
6. What are the advantages of marginal costing.
7. Distinguish between cost and management Accounting.
8. Prepare a cost sheet with adjustment specimen.

SECTION B — (5 × 10 = 50 marks)

Answer any FIVE questions.

9. Journalise the following transactions

2006	Rs.
March 1	Dinesh started business with cash Rs. 4,000, Furniture Rs. 2,000 and stock of goods Rs. 8,000
2	Purchased goods from Alex Rs. 5,000 at a trade discount of 10%
3	Sold goods to Binoy Rs. 6,000 at a trade discount of 10%
5	Sold goods for cash Rs. 9,000
7	Purchased goods for cash Rs. 6,000
9	Paid to Alex Rs. 2,000, discount allowed by him Rs. 200
17	Received from Binoy Rs. 4,000, allowed him a discount of Rs. 300
25	Withdrew for personal use Rs. 300
26	Paid rent Rs. 600
26	Received commission Rs. 100
27	Sold goods to Christi Rs. 3,000
31	Purchased goods from Dani Rs. 2,000

10. From the following Trial Balance of S.Kumar of 31.12.2000. Prepare Trading and Profit and Loss Account and Balance Sheet as on 31.12.2000.

Liabilities	Rs.	Assets	Rs.
Machinery	4,000	Capital	9,000
Cash at Bank	1,000	Sales	16,000
Cash in Hand	500	Sundry creditors	4,500

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Liabilities	Rs.	Assets	Rs.
Wages	1,000	Interest received	300
Purchases	8,000		
Stock on 01.01.2000	6,000		
Sundry debtors	4,400		
Bills receivable	2,900		
Rent	450		
Commission	250		
General Expenditures	800		
Salaries	500		
	<u>29,800</u>		<u>29,800</u>

Adjustments:

- Wages prepaid Rs. 100
- Rent prepaid Rs. 150
- Commission due Rs. 75
- Interest accrued Rs. 125
- Stock on 31.12.2000 Rs. 8,000

11. A firm purchased a lease of a cinema building for a term of 5 years by payment of Rs. 40,000. It is proposed to depreciate the lease by the annuity method, charging 5% interest p.a. Show the lease account with reference to the Annuity Table shows that the amount for Re.1 for 5 years at 5% is Rs. 0.230975.

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12.	Rs.
Cash	18,000
Closing stock	1,80,000
Creditors	50,000
Tax payable	75,000
Debtors	1,42,000
Bills payable	27,000
Outstanding expenses	15,000

From the above information calculate :

- (a) Current Ratio
(b) Liquid Ratio

13. Calculate funds from operations from the following information :

	Rs.
Salaries	40,000
Depreciation	20,000
Interest on Investment	10,000
Profit on sale on fixed assets	5,000
Provision for tax	30,000
Interim dividend paid	20,000
Proposed dividend	30,000
Administrative expenses	25,000

	Rs.
Goodwill written off	10,000
Preliminary Exp. Written off	5,000
Loss on sale of Old machinery	5,000
Op. balance of P and L a/c	70,000
Cl. balance of P and L a/c	1,20,000

14. Prepare a Cash Flow Statement for the year ended 31.12.2006.

	2005	2006		2005	2006
Liabilities	Rs.	Rs.	Assets	Rs.	Rs.
Account payable	29,000	25,000	Cash	40,000	30,000
Capital	7,39,000	6,15,000	Debtors	20,000	17,000
			Stock	8,000	13,000
			Building	1,00,000	80,000
			Other fixed	6,00,000	5,00,000
			Assets		
	<u>7,68,000</u>	<u>6,40,000</u>		<u>7,68,000</u>	<u>6,40,000</u>

Additional information :

- (a) There were no drawings.
(b) There were no purchase of sale of either building or other fixed assets.

15. From the following data calculate :
- (a) Number of units to be sold to earn a profit of Rs. 2,50,000.
- (b) Sales to earn a profit of Rs. 2,50,000
Selling price per unit Rs. 50
Variable selling cost per unit Rs. 3
Variable manufacturing cost per unit Rs. 22.
Fixed factory overhead Rs. 1,75,000
Fixed selling cost Rs. 25,000.
16. Prepare a cost sheet from the following details
Raw Material Consumed 80,000
Wages 20,000
Works expenses are charged at 10% of wages.
Office overhead is charged at 25% on works cost
and selling overhead at 10% on works cost.

SECTION C — (20 marks)

(Compulsory)

17. The following is the Trial Balance of Srinivasan on 30th June 2006.

Particulars	Debit Rs.	Credit Rs.
Cash	540	
Bank	2,630	
Purchases	40,675	

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Particulars	Debit Rs.	Credit Rs.
Sales		98,780
Returns Inwards	680	
Returns Outwards		500
Wages	10,480	
Fuel and Power	4,730	
Carriage on sales	3,200	
Carriage on Purchases	2,040	
Stock (1st July 2005)	5,760	
Buildings	30,000	
Freehold Land	10,000	
Machinery	20,000	
Patents	7,500	
Salaries	15,000	
General Expenses	3,000	
Insurance	600	
Drawings	5,245	
Capital		71,000
Sundry debtors	14,500	
Sundry creditors		6,300
	<u>1,76,580</u>	<u>1,76,580</u>

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