

B.Com(ISM) DEGREE EXAMINATION, APRIL 2020
I Year I Semester
Accounting for Managers - I

Time : 3 Hours

Max.marks :75

Section A (10 × 2 = 20) Marks

Answer any **TEN** questions

1. Define Accounting.
2. From the following particulars, prepare a Bank Reconciliation Statement as on 31-3-2017:
 - i. Balance as per Pass Book Rs. 2,400
 - ii. Cheques issued to creditors amounting to Rs. 1,340 were not presented to the bank before 31-3-17.
 - iii. Cheques amounting to Rs. 1,900 deposited into Bank were not collected and credited before 31-3-17.
3. Pass adjustment entries for the following:
 - i. Closing Stock Rs.10,000
 - ii. Write off Depreciation on Machinery Rs.15,000.
4. What do you understand by Final Accounts?
5. Define Management Accounting.
6. What is Common Size Statement?
7. What is Funds Flow Statement?
8. Ascertain the Change in Working capital from the following;
 - i. Increase in some items of current assets Rs. 12,000
 - ii. Decrease in some items of current assets Rs.9,000
 - iii. Increase in some items of current Liabilities Rs. 10,000
 - iv. Decrease in some items of current Liabilities Rs.12,000
9. Calculate inventory turnover ratio from the following:
Cost of goods sold Rs.8,54,413 and Average inventory Rs.3,08,243.
10. What is current ratio?
11. What is Trail Balance?
12. What is a comparative Financial Statement?

Section B (5 × 5 = 25) MarksAnswer any **FIVE** questions

13. Explain the objectives of accounting.
14. Prepare Trial Balance from the following:

Capital	9,000	Plant purchase	12,000
Sales	12,000	Purchases	8,000
Sundry creditors	8,000	Bank Loan	22,000
Rent outstanding	1,000	Opening stock	2,000
Sales return	4,000	Investments	14,000
Debtors	12,000		

15. Prepare Trading and Profit and Loss account from the information given below:

Opening stock	3,600	Rent (Factory)	400
Purchases	18,260	Rent (Office)	500
Wages	3,620	Sales returns	700
Closing stock	4,420	Purchase returns	900
Sales	32,000	General expenses	900
Carriage on purchase	500	Discount to customers	360
Carriage on sales	400	Interest from bank	200

16. Distinguish between the financial accounting and management accounting.
17. Calculate the trend percentages from the following figures of Priya Ltd. taking 2005 as the base.

(Figures in Rs.Lakhs)

Year	Sales	Stock	Profit before tax
2005	1,881	709	321
2006	2,340	781	435
2007	2,655	816	458
2008	3,021	944	527
2009	3,768	1154	672

18. Compute cash from operations from the following:

Net Profit for the year	Rs.80,000
Depreciation written off on fixed assets	Rs.11,000
Profit on sale on Building	Rs.22,000
Loss on sale of Machinery	Rs.13,000
Increase in current assets (except cash)	Rs.46,000.
Increase in current Liabilities	Rs.29,000.

19. You are given the following information

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

Calculate

- Current ratio.
- Liquid ratio.

Section C ($2 \times 15 = 30$) Marks

Answer any **TWO** questions

20. Describe the Advantages and Limitations of Accounting.

21. The following are the balances extracted from the books of Ganesh as on 31-12-2016. Prepare Trading and Profit and Loss account for the year ending 31-12-2016 and a Balance Sheet as on that date.

Trial Balance as on 31-12-2016			
Debit Balances	Rs.	Credit Balances	Rs.
Drawings	4,000	Capital	20,000
Cash at Bank	1,700	Sales	16,000
Cash in hand	6,500	Sundry creditors	4,500
Wages	1,000		
Purchases	2,000		
Stock 1-1-16	6,000		
Building	10,000		
Debtors	4,400		
Bills receivable	2,900		
Rent	450		
Commission	250		
General expenses	800		
Furniture	500		
	40,500		40,500

The following adjustments are to be made:

- Stock on 31-12-2016 was Rs.4,000
- Interest on capital at 6% to be provided
- Interest on Drawings at 5% to be provided
- Wages yet to be paid Rs.100
- Rent prepaid Rs.50.

22. From the Balance Sheet of Anand Company, Prepare Fund Flow statement.

BALANCE SHEET

Liabilities	31.12.2010	31.12.2011	Assets	31.12.2010	31.12.2011
Share capital	2,40,000	3,60,000	Land	1,66,200	3,39,600
Share premium	24,000	36,000	Machinery	1,06,800	1,53,900
General Reserve	18,000	27,000	Furniture	7,200	4,500
P&L A/c	58,500	62,400	Stock	66,300	78,000
8% Debenture	-	78,000	Debtors	1,09,500	1,17,300
Provision for tax	29,400	32,700	Bank	14,400	12,000
Creditors	1,00,500	1,09,200			
	4,70,400	7,05,300		4,70,400	7,05,300

Depreciation written off during the year

Machinery Rs.38,400

Furniture Rs. 1,200.

23. Following is the profit and Loss A/c of a company for the year ending 31-12-2015.

Particulars	Rs.	Particulars	Rs.
To Opening Stock	1,00,000	By Sales	5,60,000
To Purchases	3,50,000	By Closing Stock	1,00,000
To Wages	9,000		
To Gross Profit c/d	2,01,000		
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	6,60,000		6,60,000
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To Administrative expenses	20,000	By Gross profit b/d	2,01,000
To Selling expenses	89,000	By Interest on Investments	10,000
To Non- operating expenses	30,000	(outside business)	
To Net Profit	80,000	By Profit on sale of Investments	8,000
	2,19,000		2,19,000.

Calculate

- i. Gross profit ratio
- ii. Net profit ratio
- iii. Operating ratio
- iv. Operating profit ratio