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Code No: BA1903

GEC-R14

MBA I Semester Supplementary Examinations, December 2017

ACCOUNTING FOR MANAGERS

(Master of Business Administration)

Time: 3 Hours

Max. Marks : 60

Note: Answer All Sections of Questions.

All Questions from **SECTION-A** are to be answered at one place.

SECTION-A

6 × 2 = 12M

1. Explain the term Accounting.
2. Define Capital.
3. What is Debenture?
4. Define the term Cost.
5. What is a solvency ratio?
6. Define Accounting cycle.

SECTION-B

3 × 12 = 36M

1. a) From the following balances of NTR as on 31-12-1971 prepare Final a/c.

Purchases	32,000	Discount (Dr)	2,600
Salaries	6,000	Sales	50,000
Travelling Exp.	1,000	Carriage Inwards	550
Insurance	300	Commission (Dr)	650
Rent & Rates	2,000	Cash in Hand	100
Cash at Bank	5,300	Repairs	600
Miscellaneous Exp.	100	Buildings	8,000
Machinery	4,000	Stock on 1-1-71	11,800
Capital	16,000	Sundry Debtors	4,200
Creditors	6,400	Bills payable	6,800

Additional information: A) Outstanding salaries Rs.600/- B) Depreciate Machinery at 10%.
C) Unpaid Rent & Rates Rs.150/- D) Closing Stock as on 31-12-1971 Rs. 12,000/-.

(OR)

- b) Explain in detail Accounting Concepts and Conventions.

2. a) Krishna co. Ltd., Registered with 30,000 Equity shares of Rs.25/- each, issued 20,000 shares to the public but public subscribed only for 18,000 shares. Payment of money on shares is Rs. 5/- on Application; Rs.7/- on Allotment; Rs.8/- on First Call and Rs. 5/- on Final call. All applicants were allotted shares and paid the money on calls. But the company did not called up the Final call. Write down the entries and show the Balance Sheet.

(OR)

- b) Explain the methods in valuation of inventory.
3. a) Present the Cost Sheet of a firm with as many details as possible.

(OR)

- b) Funds flow statement is a presentation of sources and application of funds – elaborate illustratively.

SECTION-C

1 × 12 = 12M

CASE STUDY (Compulsory)

Balance Sheet of New India Ltd., for the year ending 31-12-1995.

Liabilities	Rs.	Assets	Rs.
9%Preference Share Capital	5,00,000	Good will	1,00,000
Equity Capital	10,00,000	Land& Building	6,50,000
8% Debentures	2,00,000	Plant	8,00,000
Long term Loan	1,00,000	Furniture & Fixtures	1,50,000
Bills Payable	60,000	Bills receivable	70,000
Creditors.	70,000	Debtors	90,000
Bank Overdraft	30,000	Bank	45,000
Outstanding Expenses	5,000	Short term. Investments	25,000
		Prepaid expenses	5,000
		Stock	30,000
	19,65,000		19,65,000

Calculate the following Ratios:

- a) Current Ratio b) Quick Ratio c) Absolute Quick Ratio d) Debt- Equity Ratio.
