

MBCP 1003

M.B.A. DEGREE EXAMINATION, MAY 2026

First Semester

Common Paper

ACCOUNTING FOR MANAGERS

(2023 onwards)

Time : Three hours

Maximum : 75 marks

PART A — (5 × 4 = 20 marks)

Answer any FIVE questions.

1. Describe the important elements of double entry system.
2. Prepare a Trial Balance with the following information :

Sr. No	Name of Account	Balance (Rs.)
(a)	Capital	2,00,000
(b)	Cash	1,80,000
(c)	Creditors	1,00,000
(d)	Sales	3,00,000
(e)	Stock	70,000
(f)	Debtors	3,00,000
(g)	Bank Loan	1,50,000
(h)	Purchases	2,00,000

3. Sangam Trading Co. Buldhana purchased Vehicle on 1st April 2016 costing Rs. 85,000 and spent Rs. 5,000 on its registration. On 30th Sept 2016 additional Vehicle is purchased for Rs. 10,000. On 31st March 2018, a Vehicle was sold for 12,000 the Original Cost of which was 20,000 on 1st April 2016 Prepare Vehicle A/c for the years 2016-17, 2017-18 and 2018-19 and pass the Journal Entries for the year 2017-18 assuming that Vehicle is depreciated at 10% p.a. on Diminishing Balance Method on 31st March each year.

4. Enumerate the types of Liquidity Ratio.

5. From the following balance sheet of XYZ Co. Ltd., prepare a statement of sources and uses of funds

Liabilities:	2019	2018
Equity capital	1,50,000	1,25,000
Accounts payable	1,00,000	70,000
General reserve	75,000	60,000
	3,25,000	2,55,000
Assets:	2019	2018
Cash in hand	75,000	35,000
Accounts receivable	90,000	98,000

Liabilities:	2019	2018
Stock	1,20,000	87,000
Land	30,000	20,000
Long term investment	10,000	15,000
	3,25,000	2,55,000

6. The following are the data for the year 2004 of a company: Variable Cost Rs. 6,00,000

Fixed Cost Rs. 3,00,000

Net Profit Rs. 1,00,000

Sales Rs. 10,00,000

You are required to calculate

- (a) P/V Ratio B.E.P.
 (b) Profit when sales amounted to Rs. 12,00,000
 (c) Sales required to earn a profit of Rs. 2,00,000
7. Discuss the Importance of Marginal Costing.
8. For making 10 kg. of yarn, the standard material requirement is:

Material	Quantity (kg.)	Rate per kg. (Rs.)
White	8	6.00
Black	4	4.00

In March, 1,000 kg. of yarn was produced. The actual consumption of materials is as under :

Material	Quantity (kg.)	Rate per kg. (Rs.)
White	750	7.00
Black	500	5.00

Calculate : (a) MCV (b) MPV (c) MUV

PART B — (5 × 8 = 40 marks)

Answer any FIVE questions.

9. Journalise the following transactions in the books of Narendra General Stores 2019

April

- 1 Narendra commenced business with Cash Rs. 80,000
- 3 Purchased goods from Kiran Rs. 40,000 on credit
- 5 Paid rent Rs. 2,000
- 10 Sold goods to Mr. Vikas Rs. 55,000 on credit
- 15 Purchased Furniture of Rs. 30,000 @ GST 18%
- 18 Received a Bearer Cheque of Rs. 25,000 from Mr. Vikas
- 21 Paid to Kiran by Cheque of Dena Bank Rs. 20,000
- 30 Paid Salary Rs. 5,000

10. From the following balances obtained from the books of Siva, prepare trading and profit and loss account.

Particulars	Rs.	Particulars	Rs.
Stock 01.01.2016	9,000	Bad debts	1,200
Purchases	20,000	Sundry expenses	1,800
Sales	42,000	Discount allowed	1,700
Expenses on purchases	1,500	Expenses of sale	1,000
Bank charges paid	3,500	Repairs on office furniture	600

Adjustments:

- Closing stock on, 31st December, 2016 was Rs. 4,500
 - Manager is entitled to receive commission @ 5% of net profit after providing such commission.
11. Discuss the Uses and Limitations of Ratio Analysis.

12. Calculate Funds from operation from the following Profit and Loss account.

Dr.	Rs.	Cr.	Rs.
To Salaries	10,000	By Gross Profit	2,00,000
To Rent	3,000	By Profit on	
To Commission	2,000	sale of Machine	5,000
To Discount allowed	1,000	By Refund of tax	3,000
To Provision for Depreciation	14,000	By Dividends	
To Transfers to General		received	2,000
Reserves	20,000		
To Provision for tax	10,000		
To Loss on Sale of			
Investments	5,000		
To Discount on Issue of			
Debentures	2,000		
To Preliminary Expenses	3,000		
To Selling Expenses	20,000		
To Net Profit	1,20,000		
	<u>2,10,000</u>		<u>2,10,000</u>

13. Balance Sheets of M/S A and B as on 1st January, 2018 and on 31st December 2018 were as follows :

Liabilities	01/01/18	31/12/18	Assets	01/01/18	31/12/18
	Rs.	Rs.		Rs.	Rs.
Capital	1,50,000	1,90,000	Cash	20,000	26,000
Mrs. B's Loan	30,000	—	Debtors	54,000	76,000
Loan from			Stock	48,000	42,000
State Bank			Furniture	2,000	2,000
of India	60,000	80,000	Machinery	90,000	65,000
Sundry Creditors	50,000	56,000	Land	36,000	45,000
			Building	40,000	70,000
	<u>2,90,000</u>	<u>3,26,000</u>		<u>2,90,000</u>	<u>3,26,000</u>

During the year a machine costing Rs. 12,000 (accumulated depreciation Rs. 4,000) was sold for Rs. 5,500. The provision for depreciation against machinery as on 1st January 2018 was Rs. 24,000 and on 31st December, 2018 Rs. 37,000. Net profit for the year 2014 amounted to Rs. 60,000. You are required to prepare

- (a) Cash Flow Statement
(b) Funds Flow Statement

14. Describe the Uses and Limitations of ratio analysis.

Particulars	Rs.	Particulars	Rs.
Other direct charges	15,000	Indirect consumption	
Depreciation:		materials	500
Plant etc.	1,500	Salary:	
Office furniture	100	Office	2,500
Other factory expenses	5,700	Salesmen	2,000
Managing directors' remuneration	12,000	Other office expenses	900
Traveling expenses of salesmen	1,100	Other selling expenses	1,000
Sales	2,50,000	Carriage and freight outward	1,000
Advance income tax paid	15,000		

The managing director's remuneration is to be allocated as Rs. 4,000 to the factory, Rs. 2,000 to the office and Rs. 6000 to the selling departments. From the above information prepare

- Prime cost
- Works cost
- Cost of production
- Cost of sales and
- Net profit.

PART C — (1 × 15 = 15 marks)

Answer the following.

17. Case study: Compulsory

From the following balance sheet of Dinesh Limited calculate:

- (a) Current ratio
- (b) Liquid ratio
- (c) Debt-equity ratio and
- (d) Proprietary ratio.

Balance Sheet of Dinesh Limited as on 31-12-2016

Liabilities	Rs.	Assets	Rs.
Equity share capital	10,00,000	Goodwill	5,00,000
6% preference capital	5,00,000	Plant & Machinery	6,00,000
Reserves	1,00,000	Land & Buildings	7,00,000
Profit & Loss a/c	4,00,000	Furniture	1,00,000
Tax provision	1,76,000	Stock	6,00,000
Bills payable	1,24,000	Bills receivables	30,000
Bank overdraft	20,000	Sundry debtors	1,50,000
Sundry creditors	80,000	Bank account	2,00,000
12% debentures	5,00,000	Short term investment	20,000
	<u>29,00,000</u>		<u>29,00,000</u>