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Question Paper Code : 80335

M.B.A. DEGREE EXAMINATION, MAY/JUNE 2016

First Semester

BA 7106 – ACCOUNTING FOR MANAGEMENT

(Regulations 2013)

Time : Three Hours

Maximum : 100 Marks

Answer ALL questions.

PART – A (10 × 2 = 20 Marks)

1. What is double entry system of book-keeping ?
2. What are the different types of accounts ? Give examples.
3. Define company. What are its characteristics ?
4. What is capital reduction account ? How is it prepared ?
5. What is fund flow analysis ?
6. List out the characteristics of financial statements.
7. What is Standard Costing ?
8. What is factory cost ?
9. What is Data processing ?
10. What do you mean by Adhoc report ?

PART – B (5 × 16 = 80 Marks)

11. (a) Explain the purpose and users of management accounting systems.

OR

- (b) Prepare Trading, Profit and Loss A/c. and Balance Sheet as on 31.3.2014 from the following Trial Balance of Mr. Imran.

Particulars	Debit	Credit
	₹	₹
Capital		1,50,000
Bank Overdraft		25,200
Sales		9,03,000
Furniture	30,600	
Business Premises	1,20,000	
Creditors		79,800
Opening Stock	1,32,000	
Debtors	1,08,000	
Rent		6,000
Purchases	6,60,000	
Discount		2,400
Insurance	16,000	
Wages	24,000	
Salaries	54,000	
Advertisement	13,200	
Carriage on Purchases	10,800	7,000
Provision for bad and doubtful debts		
Bad debts	800	
Income tax	4,000	
	11,73,400	11,73,400

Adjustments :

- (1) Closing Stock on 31.03.2014 was ₹ 1,20,000.
- (2) Make a provision of 5% on Sundry debtors for bad and doubtful debts.
- (3) Rent received in advance ₹ 2,000.
- (4) Provide 10% depreciation on Furniture and Business Premises.

12. (a) Define share and explain the various types of shares.

OR

- (b) From the following financial statements for the year 2014 and 2015, prepare a fund flow statement :

Capital and liabilities	2014 ₹	2015 ₹	Assets	2014 ₹	2015 ₹
Sundry creditors	8,26,000	12,54,000	Cash	1,06,000	62,000
Bills payable	4,52,000	6,28,000	Investments	1,74,000	—
Loan from bank	2,00,000	4,70,000	Sundry Debtors	6,92,000	10,56,000
Reserves and Surplus	13,84,000	17,28,000	Stock-in-Trade	8,64,000	13,66,000
Share capital	12,00,000	12,00,000	Net fixed assets	22,26,000	27,96,000
	40,62,000	52,80,000		40,62,000	52,80,000

Depreciation of ₹ 3,78,000 was written off for 2015 on fixed assets.

13. (a) Define cash budget and explain its importance and objectives.

OR

- (b) Surya Ltd. provides the following information for the year ending 31.3.15.
Calculate.

- (1) Gross profit ratio,
- (2) Net profit ratio,
- (3) Operating profit ratio and
- (4) Operating ratio.

	₹		₹
Sales	2,00,000	Gross Profit	80,000
Office Expenses	6,000	Selling Expenses	4,000
Finance Expenses	3,000	Loss on sale of plant	400
Interest Received	500	Net profit	67,100

14. (a) Differentiate between fund flow statement and income statement.

OR

- (b) Define goodwill and explain the factors to be considered for valuing the goodwill.

15. (a) Explain the features and the process of computerized accounting.

OR

- (b) Describe in detail the data processing methods.