

**FACULTY OF MANAGEMENT****MBA (CBCS) I – Semester Examination, January 2018****Subject: Accounting for Management****Paper Code – MB – 102****Time: 3 Hours****Max.Marks: 80****Note: Answer all the questions.****PART – A (5x4 = 20 Marks)**  
**[Short Answer Type]**

- 1 Ledger
- 2 Revenue Expenditure
- 3 Depreciation
- 4 Balance Score card
- 5 Breakeven Point

**PART – B (5x12 = 60 Marks)**  
**[Essay Answer Type]**

- 6 a) Explain the rationale of Accounting Standards and their growing importance in global accounting environment.

**OR**

- b) From the following balances, prepare a Trial Balance.

Particulars	Rs.	Particulars	Rs.
Drawings	2,000	Sales	68,000
General Expense	4,740	Purchases	40,000
Buildings	20,000	Bank Overdraft	10,000
Stock	16,540		
Wages	8,515		
Debtors	6,280		
Creditors	2,500		
Bad Debts	550		
Loan to Ravi	7,880		

- 7 a) Distinguish between Capital Expenditure and Revenue Expenditure.

**OR**

- b) A certain trading concern acquires an asset for Rs. 10,000 and decides to write off depreciation on it on fixed installment method each year. If the asset is to last for 5 years, show the asset account as well as depreciation account for 3 years. Also show how the asset will appear in the Balance Sheet of the firm at the end of the third year.

8 a) What is Common size statement analysis? Explain its importance.

OR

b) From the following details, prepare a statement of proprietary funds with as many details as possible.

- A Stock Velocity = 6
- B Capital turnover = 2
- C Fixed assets turnover ratio = 4
- D Gross profit turnover ratio = 20
- E Debtors velocity = 2 months
- F Creditors velocity = 73 days

The gross profit was Rs. 60,000. Reserves and surplus amounted to Rs. 20,000; closing stock was Rs. 5,000 in excess of opening stock.

9 a) What is Balance Score Card? Explain the significance and its methodology.

OR

b) From the following summary cash account of Y. Ltd., prepare cash flow statement for the current year ended March 31, 2015.

**Cash Account for the Current year ended March 31, 2015**

	Rs (‘000)		Rs (‘000)
Opening Balance	50	Payment to suppliers	2,000
Issue of equity	300	Purchase of fixed assets	200
Receipts from customers	2,800	Overhead expenses	200
Sale of fixed assets	100	Wages and salaries	100
		Taxation	250
		Dividend	50
		Repayment of bank loan	300
		Closing balance	150
	<b>3,250</b>		<b>3,250</b>

10 a) Explain the assumptions of marginal costing.

OR

b) You are given the following data for the year 2016 of XYZ Ltd.

	Rs.	%
Variable Costs	6,00,000	60
Fixed Costs	3,00,000	10
Net Profit	1,00,000	10
	10,00,000	100

Find out breakeven point, P.V. ratio and Margin of Safety ratio.