

**February – March 2022**  
**Master of Business Administration (MBA) Examination**

(Full Time) (New) First Semester  
**FT-103C : ACCOUNTING FOR MANAGERS**

Time 3 Hours]

[Max. Marks 80

**Note : Attempt any two questions from Section A. Each question carries 10 marks. Attempt any four questions from Section B. Each question carries 15 marks.**

**Section A**

1. Discuss the application of GAAPs in accounting records each with suitable examples.
2. Discuss the double entry system of accounting and how the book of journal is prepared.
3. What are the various components of cost ? Discuss the process of determine the total cost and per unit cost.
4. Discuss the various types of debentures. How the debentures are redeemed ? Discuss the process.

**Section B**

5. Prepare the Journal, Ledger and Trial Balance in the books of M/s Choube and Sons from the following transactions :  
 01-04-2010 Capital introduced in business Rs. 5,50,000 and out of which 1,70,000 deposited into bank.  
 03-04-2010 Purchased goods for Rs. 28,000 from Ravi.  
 08-04-2010 Payment made Rs. 2,400 for transportation and 3,000 for electricity by cheque.  
 09-04-2010 Goods sold for cash Rs. 1,45,000.  
 13-04-2010 Payment made to Ravi Rs. 27,600 in full settlement for due amount.  
 15-04-2010 Loan from SBI Rs. 60,000 amount credited in loan account.  
 20-04-2010 Machinery purchased for Rs. 1,45,000.  
 28-04-2010 Payment of life insurance policy of Mr. Choube Rs. 16,000.
6. A Ltd. Purchase a machinery Rs. 9,80,000 on January 01, 2009. It includes boiler costing Rs. 2,80,000. The boiler became obsolete on 31-10-2011 the company immediately replaced with new one on same date. The cost price of new boiler was Rs. 4,20,000 and scraped boiler valued by vendor company Rs. 1,50,000. Assuming that company is closing down its accounts on 31<sup>st</sup> March every year and method of depreciation is Fixed Installment Method with 20 percent annually. Prepare machinery account for three years. Also give the journal entries for purchase and sale of machineries.
7. Prepare cash budget for consecutive three months May, June and July, 2018 from the following information :

	April	May	June	July
Sales	8,00,000	9,00,000	9,00,000	8,00,000
Purchases (Cr.)	5,00,000	7,00,000	7,00,000	6,00,000
Overheads	2,00,000	2,50,000	1,78,000	2,00,000
Purchase of Machine	-	-	12,00,000	-

Additional Information :

- (a) Minimum cash balance to be maintained Rs. 55,000.
- (b) Credit sales are realized in following two months in equal installments when it is due.
- (c) Payment to creditors just after a month from the date of supply.

P. T. O.

8. Prepare Final Accounts for the year ending 31-03-2014 of Ram and Sons from the following detail :

Particular	Amount (Rs.)	Particular	Amount (Rs.)
Stock (Opening)	26,000	Sales (including sale of scrap Rs. 14,000)	3,30,000
Purchases	1,80,000	Purchase return-	800
Freight on purchases	1,250	Discount	400
Sales return	600	Commission	750
Insurance	1,500	Provision for Bad debts	400
Selling expenses	3,600	Capital	32,000
Salaries (including prepaid Rs. 1,200)	8,200	Bank loan 12% (Interest Due)	4,000
Bad debts	300	Creditors	11,000
Debtors	17,000	Bills payable	3,000
Building	24,000		
Machinery	1,10,000		
Drawings	4,000		
Bills receivable	4,500		
Cash	1,400		
	<b>3,82,350</b>		<b>3,82,350</b>

Information to be considered :

- Closing stock on 31-03-14 Rs. 18,050.
  - Interest on capital to be allowed on capital @ 5%.
  - Outstanding salary Rs. 800 and prepaid insurance Rs. 150.
  - Bad debts Rs. 500 and provision for bad debts 5% to be made.
  - Depreciation on fixed assets @ 5% to be charged.
  - Payment of insurance included Rs. 300 life insurance premium of Mr. Ram.
9. From the following particulars related to the contract given below you are required to prepare contract account and contractee's personal account :

Detail as follows :

	Amount in Rs.
Materials sent to site	89,349
Labour Exp.	74,375
Cost of Plan	15,000
Direct Expenses	3,169
Establishment Exp.	4,126
Materials returns to stores	549
Work Certified	1,95,000
Cost of work not certified	4,500
Material in Hand at the end of the year	1,883
Wages due at the end of the year	2,400
Direct exp. Due at the end of the year	240
Value of Plant at the end of the year	11,000

Contract price Rs. 2,50,000 and cash received from contractee Rs. 1,80,000. Also give a working for transferring amount to reserve and profit and loss account.