

Reg. No. _____ Name: _____

APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY
FIRST TRIMESTER MBA DEGREE EXAMINATION OCTOBER 2017
MBA 15 ACCOUNTING FOR MANAGERS

Max. Marks: 60

Duration 3 hours

Part A

Answer all questions. Each question carries 2 marks

1. Explain the meaning and significance of going concern concept.
2. What is double entry system of accounting?
3. What is profit prior to incorporation?
4. What is GAAP?
5. Explain the term cash flow statement.

(5x2 marks = 10 marks)

Part B

Answer any 3 questions. Each question carries 10 marks

6. Explain and compare common size statements and comparative statements.
7. Briefly explain various statutory books maintained by a company.
8. Following are the details of a company.

Debtors' velocity: 3 month

Creditors' velocity: 2 months

Stock velocity : 8 months

Gross profit ratio : 25 %

Gross profit for the year ended 31st December 2015 amounts to Rs. 4,00,000. Closing stock of the year is Rs. 10,000 above opening stock. Bills receivable amounts to Rs. 25,000 and bill payable Rs. 10,000. Find

- a) Sales
 - b) Sundry debtors
 - c) Closing stock
 - d) Sundry creditors
9. From the following information, find
- a) Profit volume ratio.
 - b) Fixed cost.
 - c) Breakeven point for sales.
 - d) Profit when sales are Rs. 1,00,000
 - e) Sales required to earn a profit of Rs. 20,000
 - f) Variable cost in period II

Period	Sales Rs	Profit Rs
I	1,20,000	9,000
II	1,40,000	13,000

10. Using the following information, calculate

- Labour cost variance
- Labour efficiency variance
- Labour rate variance
- Idle time variance

Gross direct wages: Rs. 3000

Standard hours allotted; 1600

Standard rate per hour: Rs. 1.50

Actual hours paid 1500 hours, out of which hours not worked (abnormal idle time) are 50.

(3x10 marks = 30 marks)

Part C

Compulsory question, the question carries 20 marks

11. The following are the summarized Balance Sheets of a Company as on 31-12-2015 and 2016

Liabilities	31-12-2015	31-12-2016	Assets	2015	2016
Share Capital	2,00,000	2,50,000	Building	2,00,000	1,90,000
General Reserve	50,000	60,000	Machinery	1,50,000	1,69,000
Profit and Loss A / c	30,500	30,600	Stock	1,00,000	74,000
Bank loan (Long term)	70,000	Nil	Debtors	80,000	64,200
Sundry Creditors	1,50,000	1,35,200	Cash	500	600
Provision for Taxation	30,000	35,000	Bank	Nil	8,000
			Goodwill	Nil	5,000
Total	5,30,500	5,10,800	Total	5,30,500	5,10,800

Additional information:

During the year ended 31-12-2016;

- Dividend of Rs. 23,000 was paid
- Assets of another Company were purchased for a consideration of Rs. 50,000 payable in shares. The following assets were purchased --- Stock Rs. 20,000, Machinery Rs.25,000
- Machinery was further purchased for Rs. 8,000
- Depreciation written off on Machinery Rs.12,000
- Income tax provided during the year Rs.33,000
- Loss on sale of Machinery Rs.200 was written off to General Reserve.

You are required to prepare Funds Flow Statement.
