

Reg No.: \_\_\_\_\_

Name: \_\_\_\_\_

**APJ ABDUL KALAM TECHNOLOGICAL UNIVERSITY**  
First Semester MBA Degree Examination March 2021 (2020 scheme)

**Course Code: 20MBA111**

**Course Name: ACCOUNTING FOR MANAGERS**

Max. Marks: 60

Duration: 3 Hours

**PART A**

*Answer all questions. Each question carries 2 marks*

- |   |   | Marks |
|---|---|-------|
| 1 | Define Accounting.  | (2)   |
| 2 | Define Profit prior to incorporation                        | (2)   |
| 3 | State any two points on the significance of Ratio Analysis. | (2)   |
| 4 | Define 'funds' in fund flow statement.                      | (2)   |
| 5 | Define Costing.   | (2)   |

**PART B**

*Answer any 3 questions. Each question carries 10 marks*

- 6 The following data are obtained from the record of a company: (10)
- | Particulars | First year | Second year |
|-------------|------------|-------------|
| Sales       | 60000      | 90000       |
| Profit      | 10000      | 16000       |
- Calculate P/V ratio and BEP.
- 7 From the following information calculate: (i) Gross Profit Ratio (ii) Inventory Turnover Ratio (iii) Current Ratio (iv) Liquid Ratio (v) Net Profit Ratio (10)
- Revenue from Operations Rs. 25,20,000  
 Net Profit Rs. 3,60,000  
 Cost of Goods Sold Rs. 19,20,000  
 Long-term Debts Rs. 9,00,000  
 Trade Payables Rs. 2,00,000  
 Average Inventory Rs. 8,00,000  
 Current Assets Rs. 15,60,000  
 Fixed Assets Rs. 14,40,000  
 Current Liabilities Rs. 6,00,000  
 Net Profit before Interest and Tax Rs. 8,00,000
- 8 Differentiate between fund flow and cash flow statement. (10)

- 9 The following trial balance has been extracted by the book keeper of Claire Lewis on 31 Dec 2004 (10)

Particulars	Dr.	Cr.
Debtors	18600	
Creditors		12140
Commission		1210
Bank overdraft		4610
Capital on 1 <sup>st</sup> Jan 2004		25250
Sales		144810
Purchases	96318	
Stock on 1 <sup>st</sup> Jan 2004	16,010	
Salaries	18,465	
Heating and Lighting	1820	
Rent and Rate	5647	
Vehicles	9820	
Office equipment	5500	
Sundry expenses	845	
Vehicle expenses	1684	
Drawings	13311	
Total	188,020	188,020

Stock on 31<sup>st</sup> December 2004: Rs. 13,735.

You are to prepare the trading and P&L account along with the balance sheet for Claire Lewis for the year ended 31st December, 2004.

- 10 Briefly explain the legal significance of company accounts (10)

### PART C

#### *Compulsory question carrying 20 marks*

- 11 a. From the following information calculate (i) material cost variance (ii) material price variance (iii) Material Usage variance (10)

Quantity of material purchased	2000 units
Value of material purchased	Rs. 6000
St. quantity of raw material required per unit	25 units
Standard rate of material unit	Rs. 2 per unit
Opening stock of material	Nil
Closing stock of material	400 units
Finished production during the period	50 units

b. Prepare a cash flow statement from the following information.

(10)

Balance Sheet as on 31.12.2020

Liabilities	2009	2008	Assets	2009	2008
Creditors	40000	20000	Cash	70000	60000
Debentures	90000	160000	Trade debtors	100000	75000
Provision for depreciation on plant	90000	70000	Inventory	120000	140000
Equity share capital	230000	190000	Land	70000	90000
Retained earnings	160000	125000	P&M	250000	200000
	<u>610000</u>	<u>565000</u>	=	<u>610000</u>	<u>565000</u>

Cash dividend of Rs. 25000 has been paid during the year.

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