

B.Com. (ISM) DEGREE EXAMINATION, NOVEMBER 2018
I Year I Semester
Core Major- Paper I
ACCOUNTING FOR MANAGERS - I

Time : 3 Hours

Max.marks :75

Section A (10 × 2 = 20) Marks

Answer any **TEN** questions

1. Write any two objectives of accounting.
2. Write a short note on depreciation.
3. What is management accounting?
4. What do you mean by working capital?
5. List out the types of profitability ratios.
6. Journalise the following opening entry: cash in hand 2,00,000, plant 50,000, furniture 5,000, creditors 13,000, debtors 18,000.
7. Journalise the following.
 - 4/1/18 Purchased goods for cash Rs. 5000.
 - 7/1/18 Purchased goods from Mr.Ram for Rs. 8000.
 - 8/1/18 Sold goods for cash Rs. 3000.
 - 10/1/18 Sold goods to Mr.Yogesh for Rs. 5000
8. Prepare profit & loss account from the following information:

	Rs.		Rs.
Rent	30,000	Salaries	80,000
Printing	2,000	Stationery	3,000
Insurance	4,000	Discount allowed	6,000
Advertisement	36,000	Travelling expenses	26,000
Gross profit	2,50,000	Discount received	4,000

9. Calculate funds from operations:

	Rs.		Rs.
Expenses paid	3,00,000	Gross profit	4,50,000
Depreciation	70,000	Gain on sale of land	60,000
Loss on sale of machine	4,000	Discount	200
Goodwill	20,000	Net profit	1,15,800

10. Calculate current ratio:

	Rs.		Rs.
Cash	18,000	Debtors	1,42,000
Closing stock	1,80,000	Bills payable	27,000
Creditors	50,000	Outstanding expenses	15,000
Tax payable	75,000		

11. Calculate stock turnover ratio:

	Rs.		Rs.
Sales	39,984	Sales returns	380
Opening stock at cost	1,378	Closing stock at cost	1,81
Gross profit	8,068		

12. Calculate gross profit ratio:

	Rs.		Rs.
Sales	10,00,000	Sales returns	1,00,000
Opening stock	2,00,000	Purchases	6,00,000
Purchase returns	1,50,000	Closing stock	65,000

Section B ($5 \times 5 = 25$) MarksAnswer any **FIVE** questions

13. Explain the scope of management accounting.

14. Prepare single column cash book from the following information:

March 1st 2012 cash in hand 20,000

4th cash purchases 4,000

7th cash sales 8,000

8th paid to Mr.B 5,000

9th received cash from Mr.C 10,000

13th paid into bank 10,000

14th cash withdrawn from bank 4,000

18th paid salaries 1,000

20th bought furniture 3,000

28th rent paid 1,000

15. Prepare a Bank Reconciliation statement of Mr.G from the following data as on 31.12.2014

	Rs.		Rs.
Balance as per cash book	12,500	Cheques issued but not presented for payment	900
Cheques deposited in bank but not collected	1,200	Bank paid insurance premium	500
Direct deposit by customer	800	Interest on investment collected by bank	200
Bank charges	100		

16. Prepare balance sheet of Mr.V as on 31.3.2014

	Rs.		Rs.
Capital	40,000	Drawings	4,400
Debtors	6,400	Creditors	4,200
Cash in hand	360	Cash at bank	7,200
Furniture	3,700	Plant	10,000
Net profit	1,660	General reserve	1,000
Closing stock	14,800		

17. Prepare trial balance from the following information:

	Rs.		Rs.
Drawings	74,800	Purchases	2,95,700
Stock	30,000	Discount received	1,000
Capital	2,50,000	Discount allowed	950
Furniture	33,000	Sales	3,35,350
Sundry creditors	75,000	Rent	72,500
Printing	1,500	Sundry expenses	21,000
Loan	1,20,000	Bills receivable	52,500
Freight	3,500	'carriage outwards	1,500
Income tax	9,500	Insurance	1,200
Machinery	2,15,400	Bills payable	31,700

18. Prepare schedule of changes in working capital from the following information:

	Rs.	Rs.
Particulars	1.1.2009	31.12.2009
Debentures	40,00	40,000
Outstanding rent	8,000	12,000
Cash in hand	4,000	8,000
Cash at bank	12,000	15,000
Accounts payable	20,000	26,000
Machinery	25,000	16,000
Accounts receivable	30,000	34,000
Prepaid commission	4,000	-
Inventories	22,000	27,000
Share premium	15,000	15,000
Equity capital	50,000	50,000

19. Calculate any 3 profitability ratios from the following information:

	Rs.		Rs.
Sales	1,00,000	Salary	1,800
Purchases	70,000	Advertising	700
Closing stock	14,000	Travelling expenses	500
Sales returns	4,000	Salaries office	3,000
Dividend received	1,200	Rent	6,000
Profit on sale of asset	600	Stationery	200
Loss on sale of shares	300	Depreciation	1,000
Opening stock	11,000	Provision for tax	7,000

Section C (2 × 15 = 30) Marks

Answer any **TWO** questions

20. You are required to calculate trend percentages taking 2004 as the base year and give two major conclusions you can draw.

Particulars	2004	2005	2006	2007	2008	2009
Sales	300	340	420	480	520	600
Cost of goods sold	180	204	256	287	300	330
Office expenses	40	42	45	50	55	60
Selling expenses	20	25	30	40	50	60
Net profit/loss	60	69	89	103	115	150

21. Prepare trading, profit and loss account and balance sheet for the year ending 31.12.2011

	Rs.		Rs.
Purchases	11,870	Capital	8,000
Debtors	7,580	Bad debts recovered	250
Return inwards	450	Creditors	1,250
Bank deposit	2,750	Return outwards	350
Rent	360	Bank overdraft	1,570
Salaries	850	Sales	14,690
Travelling expenses	300	Bills payable	1,350
Cash	210	Stock	2,450
Discount allowed	40	Drawings	600

Adjustments:

- Closing stock 4,200
- Write off 80 as bad debts.
- Create a provision for bad and doubtful debts at 5% on sundry debtors.
- Rent outstanding 120.

22. From the following information prepare cash flow statement:

Liabilities	2009	2010	Assets	2009	2010
Share capital	4,00,000	5,00,000	Cash	60,000	94,000
Trade creditors	1,40,000	'90,000	Debtors	2,40,000	2,30,000
Profit and loss account	20,000	46,000	Stock	1,60,000	1,80,000
			Land	1,00,000	1,32,000
	5,60,000	6,36,000		5,60,000	6,36,000

23. Prepare funds flow statement from the following information:

Liabilities	1.1.2009	31.12.2009	Assets	1.1.2009	31.12.2009
Creditors	18,000	20,500	Cash	2,000	1,800
Bank loan	15,000	22,500	Debtors	17,500	19,200
Capital	74,000	74,500	Stock	12,500	11,000
			Land	10,000	15,000
			Building	25,000	27,500
			Machinery	40,000	43,000
	1,07,000	1,17,500		1,07,000	1,17,500

During the year drawing by the proprietor for personal use amounted to Rs.13,000.

Provision for depreciation on machinery stood at Rs.13,500 on 1st january and at Rs.18,000 on december 31st