

B.Com(ISM) DEGREE EXAMINATION, APRIL 2019
I Year I Semester
Accounting for Managers - I

Time : 3 Hours

Max.marks :75

Section A (10 × 2 = 20) Marks

Answer any **TEN** questions

1. Define Accounting.
2. What do you mean by Closing Stock?
3. What is Management Accounting?
4. What is meant by Working Capital?
5. Explain the term "Ratio".
6. Prepare Bank Reconciliation Statement:

	Rs.
Balance as per Pass Book (Cr.)(31.12.91)	9,000
Cheques issued but not presented	15,000
Cheques deposited but not credited	1,500
Bank has given credit for interest	150

7. Prepare Trading Account of Archana for the year ending 31.12.96 from the following information:

	Rs.
Opening Stock	80,000
Purchases	8,60,000
Freight Inward	52,000
Wages	24,000
Sales	14,40,000
Purchase Returns	10,000
Sales Returns	3,16,000
Closing Stock	1,00,000
Import duty	30,000

8. Ascertain cost of goods sold from the following:

	Rs.
Opening stock	17,000
Purchases	61,400
Direct expenses	9,600
Indirect expenses	10,400
Closing stock	18,000

9. Compute the cash flow from operating activities.

	Rs.
P&L A/c Balance on 31.3.2004	4,00,000
P&L A/c Balance on 31.3.2003	2,50,000
Transfer to General Reserve	50,000
Depreciation on Fixed Assets	10,000

10. Ascertain the funds from operations from the data provided for the year 2004:

	Rs.
P&L A/c Balance on 1.1.2004	5,00,000
P&L A/c Balance on 31.12.2004	12,40,000
Discount on issue of Debentures written Off during 2004	50,000
Profit on sale of Furniture	26,000
Loss on Sale of Buildings	1,32,000

11. Calculate Gross Profit Ratio from the following figures.

	Rs.
Sales	10,00,000
Sales Returns	1,00,000
Gross Profit	3,15,000

12. From the following details you are required to ascertain net profit and Calculate net profit ratio.

	Rs.
Sales	5,40,000
Sales Returns	40,000
Gross profit	3,00,000
Income from investments	40,000
Loss on sale of plant	30,000
Operating expenses	1,20,000
Provision for tax	50,000

Section B (5 × 5 = 25) Marks

Answer any **FIVE** questions

13. Explain the basic Accounting Concept.

14. Differentiate between Financial Accounting and Management Accounting

15. Journalise the following transactions:

- Purchased goods for cash Rs. 10,000
- Purchased stationery for cash Rs. 500
- Purchased furniture for cash Rs. 3,000
- Sold goods for cash Rs. 8,000
- Paid salary Rs. 3,000

16. Prepare trading and profit and loss Account from the information given below:

	Rs		Rs
Opening stock	7,200	Rent (Factory)	800
Purchases	36,520	Rent (Office)	1,000
Wages	7,240	Sales Returns	1,400
Closing stock	8,840	Purchases	1,800
Carriage on Purchases	1,000	General Expenses	1,800
Carriage on sales	800	Discount to Customers	720
		Interest from Bank	400

17. The following are the income statements of Jeevan Ltd., for the year ending 31st December 1999 and 1998. You are required to prepare a comparative income statement for the two years.

	31.12.98(Rs.)	31.12.99(Rs.)
Net sales	10,00,000	12,00,000
Cost of goods sold	5,50,000	6,05,000
Operating expenses:		
Administration	80,000	1,00,000
Selling	60,000	80,000
Non-operating expenses:		
Interest	40,000	50,000
Income-tax	50,000	80,000

18. Calculate funds from operations from the following Profit and Loss A/c.

Particulars	Rs.	Particulars	Rs.
To Expenses paid	3,00,000	By Gross Profit	4,50,000
To Depreciation	70,000	By Gain on sale of land	60,000
To Loss on sale of machine	4,000		
To Discount	200		
To Goodwill	20,000		
To Net profit	1,15,800		
	5,10,000		5,10,000

19. Calculate Current Ratio from the following information.

	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

Section C (2 × 15 = 30) Marks

Answer any **TWO** questions

20. From the following Trial Balance of Ravi, prepare Trading and Profit and loss account for the year ended December 31st 1993 and a Balance Sheet as on that date:

Trial Balance

Particulars	Amount	Amount
Capital		40,000
Sales		25,000
Purchases	15,000	
Salaries	2,000	
Rent	1,500	
Insurance	300	
Drawings	5,000	
Machinery	28,000	
Bank Balance	4,500	
Cash	2,000	
Stock 1-1-93	5,200	

Debtors	2,500	
Creditors		1,000
Total	66,000	66,000

The following adjustments are to be made:

- a) Stock on 31-12-1993 was Rs. 4,900
- b) Salaries unpaid Rs.300
- c) Rent paid in advance Rs.200
- d) Insurance prepaid Rs.90

21. Dhandapani & Co Ltd., furnishes the following Balance sheets for the years 1997 and 1998. Prepare common-size balance sheets.

Balance sheets

Liabilities	1997(Rs.)	1998(Rs.)	Assets	1997(Rs.)	1998(Rs.)
Share capital	2,00,000	3,00,000	Buildings	4,00,000	4,00,000
Reserves	6,00,000	7,00,000	Machinery	6,00,000	10,00,000
10% Debentures	2,00,000	3,00,000	Stock	2,00,000	3,00,000
Creditors	3,00,000	5,00,000	Debtors	2,00,000	2,50,000
Bills payable	1,00,000	80,000	Cash at Bank	1,00,000	50,000
Tax payable	1,00,000	1,20,000			
	5,00,000	20,00,000		15,00,000	20,00,000

22. You are asked to compile a working capital statement from the following details:

Particulars	1-1-1999	31-12-1999
8% Debentures	40,000	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 share capital	50,000	50,000

23. The following figures relate to the trading activities of a company for the year ended 31-12-1987. to calculate a) Gross profit ratio b) Operating profit ratio c) Operating ratio d) Net profit ratio

Particulars	Rs.	Particulars	Rs.
Sales	1,00,000	Salary of salesmen	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 fixed assets	600	Stationery	200
Loss on sale of shares	300	Depreciation	1,000
Opening stock	11,000	Other expenses	2,000
		Provision for tax	7,000