

B.Com(ISM) DEGREE EXAMINATION, NOVEMBER 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. What is ledger?
2. What do you understand by bank reconciliation statement?
3. Why do you prepare trading account?
4. What is management accounting?
5. State any two objectives of financial statement analysis.
6. What is Cash Flow Statement?
7. List out the various tools used in management accounting.
8. What is Ratio Analysis?
9. Prepare a trial balance from the following balances:

	Rs
Capital	18,000
Plant and machinery	24,000
Purchases	16,000
Sales	24,000
Sundry creditors	16,000
Debtors	24,000
Bank loan	44,000
Rent outstanding	2,000
Opening stock	4,000
Sales returns	8,000
Investments	28,000

10. Give the journal entries from the following

(a) Prepaid insurance	Rs . 500
(b) Depreciation on machinery	Rs.4,000
11. From the following information, calculate

(a) Current assets	
(b) Current liabilities	
Current ratio	= 2.5
Liquid ratio	= 1.5
Working capital	= Rs.90, 000
12. From the details given below prepare a common size income statement of L Limited.

	1997(Rs.)	1998(Rs.)
Sales	2,00,000	5,00,000
Cost of sales	1, 00,000	2,20,000
Operating expenses	20,000	30,000
Non-operating expenses	30,000	35,000

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

13. Prepare a bank reconciliation statement from the following data as on 31-12-1995.

- (a) Balance as per cash book Rs. 12,500
- (b) Cheques issued but not presented for payment Rs. 900
- (c) Cheques deposited in bank but not collected Rs. 1,200
- (d) Bank paid insurance premium Rs. 500
- (e) Direct deposit by a customer Rs. 800
- (f) Interest on investment collected by bank Rs. 200
- (g) Bank charges Rs. 100

14. Write the difference between Financial accounting and Management accounting.

15. Calculate gross profit and net profit from the following information's:

	Rs.
Opening stock	25,000
Purchases	2,50,000
Freight and cartage	10,000
Sales	4,00,000
Closing stock	15,000
Operating expenses	40,000
Other incomes	20,000

16. Journalise the following transaction of Mr. Ram. 2003

	Rs.
March 1 Ram commenced business with cash	1,60,000
2 Opened current account with Indian Bank	40,000
3 Bought goods from Santhanam	20,000
4 Sales to Radha	16,000
5 Sold to Jagan	80,000
6 Swamy sold goods to us	10,000
7 Kannan bought goods from us	6,000
8 Typewriter purchased	12,000
9 Paid salaries	5,000
25 Drew cheque for personal use	3,000

17. Calculate funds from operations from the following profit and Loss account:

Particulars	Rs.	Particulars	Rs.
To Salaries	11,000	By Gross Profit	2, 10,000
To Rent	2,000	By Profit on sale of asset	7,000
To Commission	3,000	By Refund of Tax	3,000
To Provision for Depreciation	12,000		
To Transfer to General Reserve	22,000		
To Provision for Tax	5,000		
To Loss on sale of Investment	15,000		
To Discount on issue of shares	2,000		
To Preliminary expenses	3,000		
To Selling expenses	20,000		
To Net Profit	1, 25,000		
	2, 20, 000		2, 20,000

18. The following are the income statements of Jeevan Ltd. for the year ending 31st December 1998 and 1999. 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

19. Calculate the average collection period:

	Rs.
Total Gross Sales	1, 00,000
Cash sales	20,000
Sales Returns	7,000
Total Debtors on 31.12.84	9,000
Bills Receivable on 31.12.84	2,000
Provision for doubtful debts on 31.12.84	1,000
Total creditors on 31.12.84	10,000

Section C (2 × 15 = 30) Marks

Answer any **TWO** questions

20. Explain accounting concepts and conventions.
21. Prepare final accounts with the help of following Trial Balance :
- Trial Balance as on 31.12.2009

	Debit Rs.	Credit Rs.
Capital		8,500
Drawings	1,420	
Machinery	1,900	
Opening stock	2,920	
Purchases and sales	20,724	23,812
Purchase returns and sales returns	420	582
General expenses	880	
Rent	240	
Rates	400	
Interest on Investment		160
Bank overdraft	480	
Bad debts	344	
Debtors and creditors	8,400	4,000
Cash in hand	96	
Bad debts provision		210
	37,744	37,744

Adjustments:

- (a) Write off depreciation @ 20% on machinery.
- (b) Closing stock was Rs. 3,400.
- (c) Rates prepaid Rs. 160.
- (d) Create a 5% provision for bad and doubtful debts on debtors
- (e) Outstanding rent Rs. 80.

22. From the following particulars of X Company calculate

- a) Sales (b) Debtors (c) Closing Stock (d) Creditors

Debtor's velocity 3 months

Stock turnover ratio 8 times

Creditor's velocity 2 months

Gross Profit Ratio 25%

Gross profit for the year was Rs. 4, 00,000. Closing stock was Rs. 10,000 more than the opening stock.

23. Bata Ltd. supplies you the following balance sheet of 31st December 1985 and 1986.

Liabilities	1985	1986	Assets	1985	1986
Share capital	70,000	74,000	Bank Balance	9,000	7,800
Bonds	12,000	6,000	Account Receivable	14,900	17,700
Account payable	10,360	11,840	Inventories	49,200	42,700
Provision for doubtful debts	700	800	Land	20,000	30,000
Reserves and surplus	10,040	10,560	Goodwill	10,000	5,000
	1,03,100	1,03,200		1,03,100	1,03,200

Following additional information has also been supplied to you:

- (a) Dividends amounting to Rs.3,500 were paid during the year 1986
- (b) Land was purchased for Rs.10,000
- (c) Rs.5,000 were written off on goodwill during the year
- (d) Bonds of Rs.6,000 were paid during the year.

You are required to prepare a cash flow statement.