

SHRIMATHI DEVKUNVAR NANALAL BHATT VAISHNAV COLLEGE FOR WOMEN  
(AUTONOMOUS)

(Affiliated to the University of Madras and Re-accredited with 'A+' Grade by NAAC)  
Chromepet, Chennai — 600 044.

B.Com.(ISM) END SEMESTER EXAMINATIONS NOVEMBER -2023

SEMESTER - I

**20UBICT1001 - Accounting for Managers - I**

Total Duration : 2 Hrs 30 Mins.

Total Marks : 60

**Section B**

Answer any **SIX** questions ( $6 \times 5 = 30$  Marks)

1. Define Financial accounting. Discuss its objectives.
2. What are the characteristics of Accounting concepts and conventions?
3. Prepare Trading Account of Archana for the year ending 31.12.96 from the following information.

Particulars	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

4. From the following balances extracted at the close of the year ended 31<sup>st</sup> Dec. 1996, Prepare P & L account of Mr.Raj as at that date:

Particulars	Rs.	Particulars	Rs.
Gross profit	55,000	Repairs	500
Carriage on sales	500	Telephone expenses	520
Office Rent	500	Interest (Dr.)	480
General expenses	900	Fire insurance premium	900
Discount to customers	360	Bad debts	2,100
Interest from Bank	200	Apprentice Premium (Cr.)	1,500
Travelling expenses	700	Printing & Stationery	2,500
Salaries	900	Trade expenses	300
Commission	300		

5. The following are the income statements of Jeevan Ltd., for the year ending 31<sup>st</sup> Dec. 1999 and 1998. You are required to prepare a comparative income statement for the two years.

Particulars	31.12.98	31.12.99
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

**Contd...**

6. The following are the income statements of X,Y,Z Co. Ltd., for the years 1998 and 1999. Prepare common – size income statement for the two years.

**Trading and Profit and Loss Account**

Particulars	1998	1999	Particulars	1998	1999
To Cost of Sales	2,40,000	3,50,000	By Sales	4,00,000	5,00,000
To Gross Profit c/d	1,60,000	1,50,000			
	<b>4,00,000</b>	<b>5,00,000</b>		<b>4,00,000</b>	<b>5,00,000</b>
To Operating Expenses			By Gross profit b/d	1,60,000	1,50,000
Administration	25,000	30,000	By Interest on investments	20,000	50,000
Selling	15,000	20,000			
Distribution	10,000	10,000			
To Non-operating expenses	20,000	20,000			
Finance	20,000	20,000			
Goodwill written off	10,000				
To Net profit	80,000	1,00,000			
	<b>1,00,000</b>	<b>2,00,000</b>		<b>1,80,000</b>	<b>2,00,000</b>

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

**Profit and Loss Account**

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		
	<b>5,10,000</b>		<b>5,10,000</b>

8. From the following details of a business concern calculate net profit ratio.

Sales	– Rs.3,50,000
Cost of goods sold	– Rs.1,50,000
Administration exp.	– Rs.50,000
Selling expenses	– Rs.10,000

**Section C**

Answer any **THREE** questions (3 × 10 = 30 Marks)

9. Explain the advantages and disadvantages of financial accounting.
10. The Sundry debtors on 31<sup>st</sup> Dec 1995 are Rs.40,000. On analysis, it is found that debtors for Rs.36,000 are good. The debtors for Rs.3,000 are doubtful and are estimated to realise  $\frac{2}{3}$ rd of the amount and the debtors for Rs.1,000 are bad. Make a provision for doubtful debts. Show the Journal, Profit & Loss A/c and Balance Sheet.
11. Distinguish between Financial accounting and Management accounting.

12. From the following data you are required to calculate the cash from operations: Funds from operations for the year 1998 Rs.84,000. Current assets and liabilities as on 1.1.98 and 31.12.98 were as follows:

Particulars	Rs.	Rs.
Trade creditors	1,82,000	1,94,000
Trade debtors	2,75,000	3,15,000
Bills receivable	40,000	35,000
Bills payable	27,000	31,000
Inventories	1,85,000	1,70,000
Trade investments	40,000	70,000
Outstanding expenses	20,000	25,000
Prepaid expenses	5,000	8,000

13. You are given the following information

Cash – Rs.18,000

Debtors – Rs.1,42,000

Closing stock – Rs.1,80,000

Bills payable – Rs.27,000

Creditors – Rs.50,000

Outstanding expenses – Rs.15,000

Tax payable – Rs.75,000

Calculate a) Current ratio b) Liquidity ratio c) Absolute liquidity ratio

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