MB-103

Sl.No. :

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First Semester M.B.A Degree Examination, May - 2025
(SLM Scheme) (NON-CBCS)
MANAGEMENT
Accounting For Managers

Time : 3 Hours **Max. Marks : 80**

SECTION - A

Answer any five sub-questions. Each sub question carries three marks.

[5 × 3 = 15]

Q1) a) Give the meaning of accounting information system.

b) What are the main financial statements prepared by companies and what information does each statement provides?

c) Outline the benefits of ratio analysis.

d) What are the challenges of implementing a responsibility accounting system?

e) From the following information calculate a) P/V ratio b) break-even point c) Margin of safety

i)	Variable cost	60,000	60%
ii)	Fixed cost	30,000	30%
iii)	Net profit	10,000	10%
iv)	Sales	1,00,000	100%

f) How can cost accounting help in determining the cost of goods manufactured or services provided by a company?

g) Elucidate the need and contents of annual reports.

SECTION - B

Answer any four questions. Each question carries five marks. [4 × 5 = 20]

Q2) What is job costing? How can job cost data assist in evaluating project performance and identifying cost-saving opportunities?

Q3) Explore the use of data analytics and advanced technology in forensic accounting. How can data analysis tools aid in detecting patterns of financial irregularities and potential fraudulent activities?

Q4) Analyze the limitations of trend analysis, including potential data biases or anomalies and the risk of relying solely on historical data to predict future outcomes.

Q5) Following information is related to A Ltd. prepare fund flow statement

(₹. 000)

Particulars	**2021**	**2022**	**Particulars**	**2021**	**2022**
Share capital	300	400	Cash	30	90
Reserves	100	50	Accounts receivables	105	150
Retained earnings	30	60	Inventories	150	195
Accounts payables	45	135	Fixed assets	190	210
Total	**475**	**645**	**Total**	**475**	**645**

Additional information:

a) Company issued the bonus share for ₹ 50,000 and for Cash ₹ 50,000

b) Depreciation written of during the year ₹ 15,000.

Q6) A company manufactures two products A and B. The sakes manager forecasts the sales in units as follows

Months	Product A (units)	Product B (units)
January	280	100
February	280	120
March	240	160
April	200	200
May	160	240
June	160	240
July to December	180 (every month)	200 (every month)

Assume

a) There will be no work- in-progress at the end of any month

b) Finished units equal to half the sales for the following month will be kept in stock

You are required to prepare production budget for each month.

Q7) The following summary cash account has been extracted from the Hills Ltd. company's accounting records:

Summary Cash Account

Particulars	(₹'000)	(₹'000)
Balance at 1.3.2011		35
Receipts from customers		2,783
Issue of shares		300
Sale of fixed assets		128
		3,246
Payments to suppliers	2,047	
Payments for fixed assets	230	
Payments for overheads	115	
Wages and salaries	69	
Taxation	243	
Dividends	80	
Repayments of bank loan	250	**(3,034)**
Balance at 31.3.2012		**212**

Prepare Cash Flow Statement of company for the year ended 31st March,2012 using direct method. The company does not have any cash equivalents.

SECTION - C

Answer any three questions. Each question carries ten marks. [3 × 10 = 30]

Q8) How can investors use financial statements to assess the financial health and performance of a company before making investment decisions?

Q9) Discuss the role of accounting standards in promoting consistency and uniformity in financial reporting across different companies and industries. How does this comparability benefit users of financial statements?

Q10) Analyze the challenges and considerations involved in preparing a cost sheet for a service-based company. How does the cost structure differ in service-oriented businesses compared to manufacturing companies?

Q11) From the following particulars prepare the balance sheet of Shri Mohan Ram & Co. Ltd.:

- Current ratio 2
- Working capital ₹ 4,00,000
- Capital block (employed) to current assets 3:2
- Fixed assets to turnover 1:3
- Sales cash/credit 1:2
- Debenture/Share capital 1:2
- Stock velocity 2 months
- Credit velocity 2 months
- Debtor velocity 3 months
- Gross profit ratio 25% (to sales)
- Capital block:

  Net profit 10% of turnover

  Reserves 2 ½ of turnover

Q12) From the following budgeted figures, prepare a Cash Budget in respect of three months to 30th June.

Months	Sales	Materials	Wages	Overheads
January	160,000	120,000	21,000	7,200
February	156,000	140,000	21,600	7,600
March	164,000	150,000	22,000	7,800
April	180,000	106,000	22,400	7,200
May	184,000	142,000	23,000	8,600
June	176,000	140,000	24,000	8,000

a) Expected Cash Balance on 1st April ₹ 40,000. Other information:

b) Materials and overhead are to be paid during the month following the month of supply.

c) Wages are to be paid during the month in which they are incurred.

d) Terms of Sales- The term of credit sales are payments by the end of the month following the month of sales; 1/2 of the sales are paid when due, the other half to be paid during the next month. 5% sales commission is to be paid within the month following actual sales.

e) Preference dividend for ₹ 40,000 is to be paid on 1st May.

f) Share cell money for ₹ 20,000 each is due on 1st April and 1st June.

g) Plant and Machinery worth ₹ 20,000 is to be installed in the month of January and the payment is to be made in the month of June.

SECTION - D

Q13) **Case (Compulsory).** **[1 × 15 = 15]**

From the following particulars furnished by Alpha Ltd., prepare the Balance Sheet as on 31st March 2011.

Particulars		**Debit**	**Credit**
Equity Share Capital (Face value of ₹ 100 each)			50,00,000
Call in Arrears		5,000	
Land & Building		27,50,000	
Plant & Machinery		26,25,000	
Furniture		2,50,000	
General Reserve			10,50,000
Loan from State Financial Corporation			7,50,000
Inventory:			
Raw Materials	2,50,000		
Finished Goods	10,00,000	12,50,000	
Provision for Taxation			6,40,000
Trade receivables		10,00,000	
Short term Advances		2,13,500	
Profit & Loss Account			4,33,500
Cash in Hand		1,50,000	
Cash at Bank		12,35,000	
Unsecured Loan			6,05,000
Trade payables (for Goods and Expenses)			8,00,000
Loans & advances from related parties			2,00,000
Total		**94,78,500**	**94,78,500**

The following additional information is also provided:

(i) 10,000 Equity shares were issued for consideration other than cash.

(ii) Trade receivables of ₹ 2,60,000 are due for more than 6 months.

(iii) The cost of the Assets were: Building ₹ 30,00,000, Plant & Machinery 35,00,000 and Furniture ₹ 3,12,500

(iv) The balance of ₹ 7,50,000 in the Loan Account with State Finance Corporation is inclusive of ₹ 37,500 for Interest Accrued but not Due. The loan is secured by hypothecation of Plant & Machinery.

(v) Balance at Bank includes ₹10,000 with Omega Bank Ltd., which is not a Scheduled Bank.

(vi) Transfer ₹ 20,000 to general reserve is proposed by Board of directors.

(vii) Board of directors declared dividend of 5% on the paid-up capital on 2nd April, 2011.

