MBHC-1.3

Sl.No. : **Total No. of Pages : 3**

First Semester M.B.A. Degree Examination, May/June - 2023
(CBCS) (SLM Scheme)
MANAGEMENT
Accounting for Managers

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

SECTION - A

Answer any five questions. Each question carries Five marks : [5 × 5 = 25]

1. Explain the accounting process.
2. Distinguish between the cash flow & fund flow statements.
3. What are the steps involved in budget preparation?
4. Explain the benefits of accounting standards.
5. Give a brief explanation of the benefits of ratios.
6. State the differences between financial accounting v/s management accounting.
7. From the following details compute the value of human resources of an employee group with an average age of 58 years.

i)	Annual average earning of an employee till the retirement age	₹. 20,000
ii)	Age of retirement	60 years
iii)	Cost of capital	10%
iv)	No. of employee in the group	10

SECTION - B

Answer any four questions. Each question carries Ten marks : [4 × 10 = 40]

8. Discuss the accounting concepts & conventions in accounting.
9. Jeevi Ltd., has submitted the following: Its current capacity is 1,00,000 units. At its current level of operations its margin of safety is 50% of its break-even point. The contribution sales ratio is 25% current sales prices is ₹. 40 per unit. The unutilised capacity at present is 10,000 units. Based on the above calculate (a) BEP in Sales Value (b) Fixed costs (c) Margin of Safety in Units.

10. You are given Balance sheets of India Traders Ltd., for the years ending 31.12.2020 and 31.12.2021. Prepare (a) schedule of changes in working capital (b) a statement of sources and Application of funds.

Liabilities	31.12.20 ₹	31.12.21 ₹	Assets	31.12.20 ₹	31.12.21 ₹
Share Capital	12,00,000	12,00,000	Buildings	8,00,000	12,00,000
Reserves & Surplus	3,00,000	6,00,000	Plant	6,00,000	8,00,000
Loans	1,00,000	3,00,000	Stock	4,00,000	2,00,000
Creditors	4,00,000	3,00,000	Debtors	1,60,000	1,20,000
			Cash	40,000	80,000
	20,00,000	24,00,000		20,00,000	24,00,000

11. 'Budgeting is profit planning'. Elaborate this statement. What accounting devices would you use where output varies?

12. Explain in detail forensic accounting.

13. The following data from the published accounting of two companies, ABC Ltd and XYZ Ltd., in an industry.

Particulars	ABC Ltd.	XYZ Ltd.
Sales	32,00,000	30,00,000
Net profit after tax	1,23,000	1,58,000
Equity capital (₹ l0 per share fully paid)	10,00,000	8,00,000
General reserves	2,32,000	6,32,000
Long-term debt	8,00,000	5,60,000
Creditors	3,82,000	5,49,000
Bank credit (short-term)	60,000	2,00,000
Fixed assets	15,99,000	15,90,000
Inventories	3,31 ,000	8,09,000
Other current assets	5,44,000	4,52,000

Prepare a statement of comparative ratio showing liquidity, profitability activity and financial position of the two companies.

SECTION - C

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

From the following particulars, prepare the balance sheet of Shreshta and Co. Ltd as at March 31, current year.

Current ratio	2
Working Capital	₹ 4,00,000
Capital block to current assets	3:2
Fixed asset to turnover	1:3
Sales cash/credit	1:2
Debentures/share capital	1:2
Stock velocity	2 months
Creditors velocity	2 months
Debtors velocity	2 months
Gross profits ratio	25% (to sales)
Capital Block :	
Net profit	10% (turn over)
Reserve	2.5% (turn over)

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