MBHC-1.3

Sl. No.

I Semester M.B.A. Degree Examination, October/November - 2025

MANAGEMENT

Accounting For Managers

(CBCS Scheme)

Time : 3 Hours **Maximum Marks : 80**

SECTION - A

Answer **any Five** questions. Each question carries **5** marks. **(5×5=25)**

1. What are the advantages and dis-advantages of Human Resource Accounting?

2. Explain the relationship between solvency, liquidity and profitability.

3. What is accounting cycle? Describe the various steps in accounting cycle.

4. From the following particulars pertaining to Assets and Liabilities of a company Calculate:

a) Current Ratio.

b) Liquidity Ratio.

c) Proprietary Ratio.

d) Debt-equity Ratio.

Liabilities	**Rs.**	**Assets**	**Rs.**
5,000 Equity Shares of Rs. 10 each	5,00,000	Land and Building	5,00,000
8%, 2,000 Preference Shares of Rs. 100 each	2,00,000	Plant and Machinery	6,00,000
9%, 4,000 Debentures of Rs. 100 each	4,00,000	Debtors	2,00,000
Reserves	3,00,000	Stock	2,40,000
Creditors	1,50,000	Cash and Bank	55,000
Bank overdraft	50,000	Prepaid Expenses	5,000
	16,00,000		**16,00,000**

5. From the following information, find P/V ratio and break-even point in sales.

Total fixed cost = Rs. 90,000
Variable cost per unit
Direct material = Rs. 5
Direct labour = Rs. 2
Factory overheads = 100% of direct labour
Selling price per unit = Rs. 12

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6. Who are the users of accounting information?
7. How is break even chart prepared?

SECTION - B

Answer **any Four** questions. Each question carries **10** marks. **(4×10=40)**

8. Discuss in detail about the accounting concepts and conventions.
9. Illustrate in detail the different methods used for analysis and interpretation of financial statements.
10. From the following ledger balance of a trader, prepare trading, profit and loss account and balance sheet as at 31st December 2021.

Opening stock	48,000
Drawings	6,000
Sales	1,25,000
Sundry Debtors	18,000
Capital	25,000
Wages	14,000
Salaries	2,800
Carriage on Purchases	2,500
Rent	3,500
Purchases	60,000
Discount on Purchases	2,000
Interest on Bank Loan	100
Bills Receivable	3,000
Plant and Machinery	10,000
Cash	1,000
Building	2,500
Bills Payable	2,500
Bank Loan	2,000
Reserve for Bad debts	2,500
Returns Outwards	750
Sundry Creditors	11,650

Adjustments:

a. Rent at Rs. 100 per month is not paid for 2 months.

b. Wages and Salaries are unpaid to the extent of Rs. 750 and Rs. 225 respectively.

c. Depreciate plant by 10%.

d. Stock at close was Rs. 17,500.

e. Write off Rs. 1,500 as bad debts and maintain a reserve of 5% on debtors.

11. Distinguish between financial accounting and management accounting.

12. Differentiate between cash flow statement and fund flow statement.

13. Prepare a cash budget for the month of April from the following information.

Month	Sales	Purchases	Wages
February	1,80,000	1,24,800	12,000
March	1,92,000	1,44,000	14,000
April	1,08,000	2,43,000	11,000
May	1,74,000	2,46,000	10,000
June	1,26,000	2,68,000	15,000

50% of credit sales are realized in the month following the sales and remaining in second month following. Creditors are paid in the following month of purchase. Cash at bank on 1st April Rs. 25,000.

SECTION - C

14. Case (Compulsory) **(1×15=15)**

The following are summarized Balance Sheets of a XYZ Co., as 31-3-2022 and 31-03-2023.

Liabilities	31-3-2022	31-3-2023	Assets	31-3-2022	31-3-2023
Share Capital	5,00,000	5,00,000	Premises	4,75,000	5,00,000
General Reserve	1,50,000	1,25,000	Machinery	4,22,500	3,75,000
Profit and Loss A/c	76,500	76,500	Equipment	40,500	45,000
Term Loan	1,55,000	1,75,000	Stock	74,000	1,00,000
Sundry Creditors	2,31,250	2,75,000	Debtors	1,60,000	2,00,000
Provision for tax	76,250	84,000	Cash	7,000	3,000
			Bank	10,000	__
			Goodwill	__	12,500
	11,89,000	**12,35,500**		**11,89,000**	**12,35,500**

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Additional Information:

a) Interim dividend paid Rs. 25,000.

b) Depreciation on premises is provided at 5%.

c) Machinery worth Rs. 75,000 was acquired during the year.

d) Income tax provision for the year was Rs. 75,000.

Prepare Cash Flow Statement in accordance with AS-3.
