

**PARUL UNIVERSITY**  
**FACULTY OF MANAGEMENT**  
**MBA Winter 2019 - 20 Examination**

**Semester:1****Date:03/12/2019****Subject Code: 06200104****Time:10:30 am to 01:00pm****Subject Name: Accounting for Managers****Total Marks: 60****Instructions**

1. All questions are compulsory.
2. Figures to the right indicate full marks.
3. Make suitable assumptions wherever necessary.
4. Start new question on new page.

Q.1 Do as Directed.

A).Multiple choice type questions/Fill in the blanks. (Each of 1 mark) (05)

1. The long term assets that have no physical existence but are rights that have value is known as
 

a) Current Assets	c) Intangible Assets
b) Fixed Assets	d) Investments
2. The main object of providing depreciation is
 

a) To calculate true profit	c) To reduce tax.
b) To show true financial position.	d) To provide funds for replacement.
- 3 Which accounting concept satisfy the valuation criteria
 

a) Going concern, Realisation, Cost	c) Cost, Dual aspect, Conservatism
b) Going concern, Cost, Dual aspect	d) Realisation, Conservatism, Going concern.
- 4 Equity Dividend paid should be Classified as cash flow from
 

a) Operating Activities	c) Investing Activities
b) Financing Activities	d) Not a part of Cash flow
- 5 A higher inventory ratio indicates
 

a) Better Inventory Management	c) Both 'A' and 'B'
b) Quicker Turnover	d) None of the above

B).Define the following. (Each of 1 mark) (05)

1. Accounting
2. Journal
3. Ledger
4. Net Profit Ratio
5. Current Ratio

C).Direct questions. (Each of 1 mark) (05)

1. Explain Depreciation
2. Explain Real Account
3. Explain Personal Account
4. Inventory Ratio
5. Explain Inflation Accounting

Q.2 Answer the following questions.

A).Differentiate Financial accounting and Management accounting. (07)

Journalise the following transactions of M/S Time Zone

- Dec. 01 Business started with cash 12,00,000  
 Dec. 02 Opened a bank account with ICICI 40, 000  
 Dec. 04 Goods purchased for cash 12, 00,000  
 Dec. 10 Paid cartage 5000  
 B). Dec. 12 Goods sold on credit to M/s Lara India 2,50,000 (08)  
 Dec. 14 Cash received from M/s Lara India 1,00,000  
 Dec. 16 Goods returned from Lara India 30, 000  
 Dec. 18 Paid trade expenses 7000  
 Dec. 20 Cheque received from M/s Lara India for final settlement 115,000 and deposited same day into bank

Q.3 Answer the following questions.

A trader has the following transactions in a certain product for three months from Feb 2018. Calculate the value of closing stock on April 30 using FIFO, LIFO and WAP methods.

A).

Date	Transaction	Details
Feb 3	Purchases	3000 items at Rs. 20 each
Feb 20	Purchases	1000 items at Rs. 24 each
Mar 1	Sells	1000 items
Mar 20	Purchases	1500 items at Rs. 30 each
Mar 30	Sells	2000 items
Apr 2	Purchases	1500 items at Rs. 40 each
Apr 15	Sells	1750 items

(07)

B). Discuss the Performa of cash flow statement issued by ICAI in detail. (08)

Q.4 Attempt any two questions. (Each of 7.5 mark) (15)

1. From the following information of XYZ ltd. Show the calculation of Depreciation of each machine year ending March 31, 2018 by charging depreciation @ 10% p.a. applying Straight Line method

Date	Transaction	Rs.
April 1, 2015	Purchase Machine I	3,00,000
Oct 1, 2015	Purchase a New Machine II	6,00,000
Sep 30, 2017	Sold Machine I	1,35,000
Sep 30, 2017	Purchase a New Machine III	9,00,000

2. Explain the users of financial accounting.
3. Define Human Recourse Accounting and Describe the objectives of human resource accounting
4. Explain the AS- 2 of inventory valuation