

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
MBA, Winter 2018-19 Examination

Semester: 1**Subject Code: 06200104****Subject Name: Accounting for Managers****Date: 29/10/2018****Time: 10:30 am to 1:00 pm****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.****(05)**

1. Which of the following is a personal account?

a) Rent paid	c) Rent accrued
b) Rent received	d) None of the above
2. If current Ratio is 3:1, Liquid Ratio is 2:1 and working capital Rs. 20,000, find out the value of stock.

a) Rs. 5000	c) Rs. 8000
b) Rs. 10,000	d) Rs. 20,000
3. Which one of the following items will NOT appear in the Balance Sheet of a club?

a) Subscriptions received in advance	c) Entrance fee paid by the member
b) Donations received in advance	d) Locker's rent accrued
4. Which of the following assets is most likely to appreciate rather than depreciate?

a) Land	c) Plant and machinery
b) Motor vehicles	d) Fixtures and fittings
- 5 Bad debts written off (given in adjustment) always affect the:

a) Debtors account	c) Cash account
b) Creditors account	d) Capital account

B).Define the following.**(05)**

1. Going concern concept
2. IFRS
3. Business Entity
4. HRA
5. Accrual concept

C).Direct questions.**(05)**

1. List out various users of financial accounting information.
2. List out various branches of accounting.
3. What is GAAP?
4. What is social responsibility accounting?
5. What is trend analysis?

Q.2 Answer the following questions.**A). Write a short note :****(07)**

- A. Valuation of inventories- AS-2
- B. Depreciation accounting- AS-6

B).Journalize the following transactions in the book of Maahi and post them in the ledger and balance them. (08)

Apr 2017

1. Bought goods for cash Rs. 50000
2. Sold goods for cash Rs. 90000
3. Bought goods for credit from Govind Rs. 15000
4. Sold goods on credit to Roy Rs. 10000
5. Received from Roy Rs. 7000
6. Paid to Govind Rs. 5000
7. Bought furniture for cash Rs. 3000

Q.3 Answer the following questions.

A). Explain following ratios: (07)

1. Liquidity ratio
2. Solvency ratio
3. Profitability ratio

B). From the following activities, classify them as operating activities, investing activities, financing activities: (08)

1. Issue of debentures
2. Sale of machinery
3. Sale of investment
4. Sale of patent
5. Bank balance
6. Investment in marketable securities
7. Issue of equity shares
8. Income tax paid
9. Office expenses
10. Repayment of long term loan

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

1. Make a detail format of balance sheet along with Income statement.

2. Bahubali Enterprise:

Details	Amount (Rs.)
Cost of the machine	52,00,000
Expected useful life	5
Consideration expected on disposal	2,80,000
Estimated cost of removal of the machine for disposal	20,000
Estimated realizable value	2,60,000

a. Determine the rate of depreciation as per SLM.

b. Determine the annual depreciation and accumulated depreciation for all the years as per SLM

3. A book keeper has submitted to you the following Trial balance of Mr. Patel wherein the total of debit and credit balance is not equal:

Particulars	Debit balance (Rs.)	Credit balance (Rs.)
Capital		15340
Cash in hand		60
Purchases	17980	
Sales		22120
Cash at bank	1770	
Fixtures and fittings	450	
Freehold premises	3000	
Lighting and heating	130	
Bills receivables		1650
Return inwards		60
salaries	2150	
Creditors		3780
Debtors	11400	
Stock (Apr 1, 2008)	6000	
Printing	450	

Bills payable	3750	
Rates, taxes and insurance	380	
Discounts received	890	
Discounts allowed		400
	48350	43410

You are required to redraft the trial balance correctly.

4. Differentiate fund flow statement with cash flow statement.