

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
MBA Summer 2017 - 18 Examination

Semester: 1**Subject Code: 06200104****Subject Name: Accounting for Managers****Date: 07/06/2018****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/Fill in the blanks. (Each of 1 mark)****(05)**

1. The accrual basis of accounting records revenues when they are _____
 - a) Collected
 - b) Contracted
 - c) Earned
 - d) Readily Available for Use
- 2 Commission Received in Advance falls under the category of _____?
 - a) Real Account
 - b) Nominal Account
 - c) Personal Account
 - d) None of the above
- 3 The allocation of owner's private expenses to his/her business violates which of the following?
 - a) Accrual concept
 - b) Entity Concept
 - c)Ownership Concept
 - d) Cash Concept
4. Which one of the following accounting conventions stipulates that contingent assets appear as a footnote in the balance sheet?
 - a) Materiality
 - b) Disclosure
 - c) Consistency
 - d) Conservatism
5. Which of the following events represent business transaction?
 - a) Goods are ordered for delivery next month
 - b) An employee is dismissed from his job
 - c)Machinery is purchased for cash
 - d) The owner of the firm dies

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

1. Business Entity Concept
2. Materiality Concept
3. Going Concern
4. Accounting Period
5. Concept of Conservatism

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

1. What do you mean by IFRS?
2. What is a Current Ratio?
3. Explain Trend Analysis
4. Explain Debtors Turnover Ratio
5. GAAP

Q.2 Answer the following questions.

A).What are the fundamental accounting assumptions underlying the preparation and presentation of Financial Statements AS-1? **(07)**

B).Distinguish Between Financial Accounting and Management Accounting. **(08)**

Q.3 Answer the following questions.

A).Define Human Recourse Accounting and Describe the progress made by India so far in the field of human resource accounting. **(07)**

- B).** Who are the users of accounting information, and why do the users need accounting information? (08)
How this information helpful to the users?

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

1. Pass the following Journal Entries in the books of account.
 1. Purchased goods from Mr. Jain at a list price of Rs.500, 000 less 5% trade discount, and 10% cash discount on 50% prompt payment by a cheque.
 2. Sold goods to Vijay worth Rs.50000.
 3. Withdrawn Rs.1000 from Bank for personal use.
 4. Could recover only 5000 from Mr. Jay on his account of 6500.
 5. Goods worth Rs.2500 were destroyed by fire. The goods were not insured by the firm.
2. Current Ratio of a firm is 2.2:1 and the net working capital is Rs. 36000.
Calculate the amount of Current Assets and Current Liabilities.
3. Closing stock of Suchi ltd is Rs. 200000. The total liquid assets are 100000; Liquid ratio is 2:1.
Find out working capital.
4. What do you mean by the term 'depreciation'? What are its causes? Why do firms provide depreciation?