

PARUL UNIVERSITY
FACULTY OF MANAGEMENT
IMBA, Winter 2019-20 Examination

Semester: 5
Subject Code: 06200104
Subject Name: Accounting for Managers

Date: 16-12-2019
Time: 10:30 am to 01:00 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. 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
2. While preparing the profit and loss account, selling and distribution expenses are allocated and apportioned to the different departments on the basis of:

a) Sales by each department	c) Purchase of goods by each department
b) Number of employees	d) Area / Floor space occupied
3. Bad debts written off (given in adjustment) always affect the:

a) Debtors account	c) Cash account
b) Creditors account	d) Capital account
4. Management accounting deals with

a) Quantitative information	c) Both a and b
b) Qualitative information	d) None of the above
5. Which of the following account will be debited for distribution of profit to partners?

a) Profit and loss account	c) Partner's capital accounts
b) Profit and loss appropriation account	d) Cash account

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

1. GAAP
2. Accounting
3. Trend analysis
4. Matching concept
5. IFRS

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

1. What is Going concern concept?
2. What is Accrual concept?
3. Which are advantages of accounting?
4. What is consistency principle?
5. Which are characteristics of accounting information?

Q.2 Answer the following questions.**A). Write a short note for Accounting Standard- 1. (07)****B). Explain following ratios:**

1. Liquidity ratio
2. Solvency ratio (08)
3. Profitability ratio

Q.3 Answer the following questions.**A). List out various branches of accounting. Explain all in brief. (07)**

B). Journalize the following transactions in the book of Maahi and balance them.

October 2019

1. On 1st Oct, Bought goods for cash Rs. 200,000.
2. On 2nd Oct, goods bought from Sri Mahesh for Rs. 80,000.
3. On 3rd Oct, goods sold to Satyan for cash Rs. 1,10,000.
4. On 4th Oct, goods sold to Satvik for Rs. 20,000.
5. On 5th Oct, bought laptop from "Techno enterprises" for Rs. 30,000.
6. On 7th Oct, paid into Indian Bank Rs. 20,000.
7. On 9th Oct, borrowed from the bank Rs. 15,000.
8. On 10th Oct, paid by cheque for the rent Rs. 7,000.

(08)

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

(15)

1. Write a short note :

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

2. Make a detail format of vertical corporate balance sheet along with Income statement.

3. A book keeper has submitted to you the following Trial balance of Mr. Modi 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. From the following information of Bala Ltd. Prepare machinery account for three years ending Mar 31, 2009, by providing depreciation @ 20 % p.a. under straight line method.

Date	Transactions	Rs.
Apr 1, 2006	Purchased a second hand machinery I	1,20,000
Apr 1, 2006	Repairs on it	30,000
Oct 1, 2006	Purchased a new machinery II	3,00,000
Apr 1, 2007	Spent repairs on machine II	3,000
Sep 30, 2008	Sold machinery I	67,500
Sep 30, 2008	Purchased a new machinery III	4,50,000