

MASTER of BUSINESS ADMINISTRATION

FIRST SEMESTER

ACCOUNTING FOR MANAGERS

MBA - 102

Duration: 3 Hrs.

Marks: 70

Part : A (Objective) = 20

Part : B (Descriptive) = 50

[PART-B : Descriptive]

Duration: 2 Hrs. 40 Mins.

Marks: 50

[Answer question no. One (1) & any four (4) from the rest]

1. Briefly explain the basic objectives accounting. Who are the various users of accounting information? 6+4 =10
2. Write note on Written down value method of Depreciation? Discuss various factors which are considered for calculating depreciation 4+6=10
3. (a) Write a short note on Profit & Loss Account. What are the items appearing in the debit and credit side of trading account? 3+3=6
(b) Write a note on Value added Statement and the objectives of preparing value added statement. 4
4. (a) Write a note on any two methods of valuation of inventory? 6
(b) Discuss the importance of International Accounting? 4
5. The following is the record of receipts of certain materials during the month of January 2016 5+5=10

The following transactions occur in the purchase and issue of a material:

Jan.	2.	Purchased 4000 units @ Rs. 4.00 per unit.
Jan	20	Purchased 500 units @ Rs.5.00 per unit.
Feb	5	Issued 2000 units
Feb	10	Purchased 6000 units @ Rs.6.00 per unit
Feb	12	Issued 4000 units
March	2	Issued 1000 units
March	5	Issued 2000 units
March	15	Purchased 4500 units @ Rs.5.50 per unit
March	20	Issued 3000 units

From the above prepare the stores ledger account:

- (a) By adopting FIFO method of charging material issued and
- (b) By adopting LIFO method

6. On April 1 2009 Gupta Ltd purchased a second hand machine for Rs.80000 and spent Rs.20000 on its cartage, repairs and installation. The residual value at the end of its expected useful life of 4 years is estimated at Rs. 40000. on 30th September 2011 this machine is sold for Rs.50000. Depreciation is to be provided according to Straight Line Method. 5+5=10
Prepare the Machinery Account and Depreciation Account.

7. The trial balances of Mr.Uma Shankar shows the following balances on 31st March 2016. Prepare Trading Account, Profit & Loss Account and Balance Sheet of Uma Shankar 3+4+3 = 10

Particulars	Amount (₹)	Particulars	Amount (₹)
Purchases	70000	Capital	56000
Sales returns	5000	Sales	150000
Opening stock	20000	Purchase Returns	4000
Discount allowed	2000	Discount Received	1000
Bank charges	500	Sundry Creditors	30000
Salaries	4500		
Wages	5000		
Freight Inward	4000		
Freight out ward	1000		
Rent, Rate & Taxes	5000		
Advertising	6000		
Cash in hand	1000		
Plant & Machinery	50000		
Sundry Debtors	60000		
Cash at Bank	7000		
	241000		241000

Closing Stock on 31st March, 2016 was Rs.30000

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[PART-A : Objective]

Choose the correct answer from the following:

1×20=20

1. Which one is a current asset?
 - a. land
 - b. building
 - c. furniture
 - d. bank
2. Bank account is
 - a. personal
 - b. real
 - c. nominal
 - d. none of these above
3. Drawings account is related to:
 - a. Nominal Account
 - b. Personal Account
 - c. Real Account
 - d. Company drawings account
4. Goodwill account is related to
 - a. Nominal account
 - b. Personal account
 - c. Real account
 - d. Tangible account
5. According to which of the following concepts even the owner of the business who provides capital treated as a creditor of the business?
 - a. Entity concept
 - b. Cost concept
 - c. Money measurement concept
 - d. Convention of disclosure
6. The resources owned by the business is known as
 - a. liabilities
 - b. expenses
 - c. assets
7. Customers to whom goods are sold on credit are known as
 - a. Creditors
 - b. Debtors
 - c. suppliers
8. Goods sold to Ram should be debited to
 - a. Cash A/c
 - b. Ram's A/c
 - c. Sales A/c
9. Purchased goods from Vikram for cash should be credited to
 - a. Vikram A/c
 - b. Cash A/c
 - c. Purchases A/c
10. Trial balance is prepared to find out the
 - a. profit or loss
 - b. financial position
 - c. arithmetical accuracy of the accounts
11. Trading account is prepared to find out
 - a. gross profit or loss
 - b. net profit or loss
 - c. financial position
12. Opening stock is
 - a. debited in trading account
 - b. credited in trading account
 - c. credit in profit and loss account
13. The policy of anticipate no profit and provide for all possible losses arises due to convention of _____.
 - a. Consistency
 - b. Disclosure
 - c. Matching
 - d. Conservatism
14. Goods of the value of Rs. 1500 taken by the proprietor for his personal use should be debited to
 - a. drawing account
 - b. sales account
 - c. purchases account
 - d. stock account
15. Original cost = Rs.10000 Life= 5 years Expected Salvage Value= Rs.2000
Depreciation for 3rd year as per straight line method is
 - a. Rs.12800
 - b. Rs.19600
 - c. Rs.20000
 - d. Rs. 20400



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16. _____ is a permanent continuing and graduals shrinkage in the book of a fixed asset.
- a. Depreciation
 - b. Charged against asset
 - c. Erection charges
 - d. Acquisition cost
17. FIFO is -----
- a. First Investment in Future Order
 - b. First In First Out
 - c. Fast In Fast Out
 - d. Fast Issue of Fast Order
18. LIFO is -----
- a. Last In First Out
 - b. Lots In First Out
 - c. Large In Fast Out
 - d. Last Issue of Fast Order
19. Value Added Statement is -----
- a. Income Statement
 - b. Substitute To Profit & Loss Account
 - c. Substitute to Balance Sheet
 - d. Modified version of Profit & Loss Account
20. International Accounting deals with:
- a. Recording and translation of foreign transactions
 - b. Preparation and presentation of consolidated foreign financial statements
 - c. Presentation of international financial reporting
 - d. All the above

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Course :

Semester : Roll No :

Enrollment No : Course code :

Course Title :

Session : 2017-18 Date :

Instructions / Guidelines

- > The paper contains twenty (20) / ten (10) questions.
- > Students shall tick (✓) the correct answer.
- > No marks shall be given for overwrite / erasing.
- > Students have to submit the Objective Part (Part-A) to the invigilator just after completion of the allotted time from the starting of examination.

Full Marks	Marks Obtained
20	

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Scrutinizer's Signature

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Examiner's Signature

.....
Invigilator's Signature