

C.U.SHAH UNIVERSITY

WADHWAN CITY

University (Winter) Examination -2013

Course Name :MBA Sem-I

Subject Name : -Managerial Accounting

Marks :70

Duration :- 2:30 Hours

Date : 27/12/2013

Instructions:-

- (1) Attempt all Questions of both sections in same answer book / Supplementary.
- (2) Use of Programmable calculator & any other electronic instrument is prohibited.
- (3) Instructions written on main answer Book are strictly to be obeyed.
- (4) Draw neat diagrams & figures (If necessary) at right places.
- (5) Assume suitable & Perfect data if needed.

SECTION-I

- Q1 (a) Name accounting standard 9 &13. (2)
- Q1 (b) State rules of Debit & Credit. (3)
- Q1 (c) Give Performa (format) of three columnar cash book. (2)

- Q2 (a) Name various accounting concepts & Explain any one in detail. (5)
- Q2 (b) Explain accounting standard 2 'Valuation of inventory' in detail. (5)
- Q2 (c) Find out Gross profit from the below information. (4)

Particulars	Amount	Particulars	Amount
Purchase	100000	Opening stock	150000
Sales	200000	Return Inwards	13000
Carriage inwards	10000	Closing stock	180000
Carriage outwards	20000	Wages & salaries	30000

OR

- Q2 (a) Name qualitative characteristics of financial accounting information. & explain any one in detail. (5)
- Q2 (b) Calculate value of closing stock by Periodical method by FIFO&LIFO. (5)

Date	Particulars	Units	Rate per unit	Date	Particulars	Units	Rate per unit
1/4/13	Opening stock	100	5	7/4/13	Purchase	500	7
5/4/13	Purchase	400	6	8/4/13	Purchase	300	4
6/4/13	Issued	300		9/4/13	Issue	200	

- Q2 (c) Find out Net profit from below information. (4)

Gross profit	150000	Furniture	50000
Discount earned	10000	Depreciation on furniture	6000
Discount allowed	20000	Cash balance	2000
Drawings	30000	Salary & wages	3000
Interest on Drawings	5000	Rent paid	4000



Q3 (a) Discuss in detail advantages & limitations of accounting. (7)

Q3 (b) Journalize the following transaction & post first two transaction into ledger. (7)

(Narration not required & balancing of accounts not required)

1. Mr.x starts business with cash Rs.15000, Stock Rs.20000 & Machinery Rs.25000.
2. Purchased goods from Mr. y Rs.50000 @10% T.D. & 5 % C.D. paid 25 % in cash.
3. Our salesmen sold goods of Rs. 25000 deducted 2% for commission and paid balance to us in cash.
4. Goods of Rs. 10000 burnt by fire insurance company accepted 40 % claim.
5. Paid balance amount to Mr. y after deducting Rs. 1000 towards discount.

OR

Q3 (a) One machine was purchased on 1/1/2013 for Rs.175000, cost of installation of the same was Rs.15000, residual value at the end of its useful life of five years(20000 Hours) is estimated at Rs.10000.accounting year ends on 31st December every year. Calculate (1) Depreciation by straight line method and rate of depreciation by straight line method for first year. (2)Depreciation for second year by sum of year digit method. (3) Presuming 4000 hours worked during 3rd year depreciation by machine hour (unit) method for 3rd year. (7)

Q3 (b) Mr. A purchased some fixed assets for consolidated price. Find out individual price of assets. The details are as under. (7)

Name of Asset	Consolidated price	Market value
Land & Building	?	600000
Plant & Machinery	?	900000
Furniture	?	1200000
Vehicles	?	300000
Total	2000000	3000000

SECTION-II

Q4 (a) Provide full form of GAAP & IFRS. (2)

Q4 (b) Explain Window dressing in brief. (2)

Q4(c) Name any three financial statement analysis methods. (3)

Q5 (a) State advantages & limitations of ratio analysis. (5)

Q5 (b) Explain common size statement method with imaginary figures. (5)

Q5(c) From below information prepare trend analysis statement and interpret the same. (4)

Particulars	2010	2011	2012	2013
Sales	500000	750000	1100000	800000
Less : cost of goods sold	300000	550000	700000	400000
Gross profit	200000	200000	400000	400000
Less : Administrative Exp.	50000	50000	50000	50000
:Selling Exp.	60000	70000	100000	100000
Net profit	90000	80000	250000	250000

OR

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Q5 (a) From the following particulars prepare balance sheet. (5)

Particulars		Particulars	
Gross profit ratio	25%	Fixed assets to turnover	1:3
Current ratio	2	Sales cash/credit	1:2
Working capital	400000	Debenture/share capital	1:2
Capital block to current assets	3:2	Stock velocity	2 Months
Creditors velocity	2 Months	Debtors Velocity	3 Months
Capital Block: Net profit 10 % of turnover Reserve 2.5% of turnover			

Q5 (b) Find out (1) Return on capital employed (2) Return on Equity shareholder fund.
Shareholder's fund 500000, Profit before tax 120000, 5% Debenture 100000, 3% preference share capital 200000, Income tax rate 50%. (5)

Q5 (c) Prepare schedule of share capital from below information. (4)

Authorized capital: 1000 equity share of Rs.100 each.

Equity share capital Rs.80000.

Share forfeiture Rs.5000.

Call in arrears Rs.4000.

Q6 From Below Trial balance of xyz as on 31/03/13 prepare

Q6 (a) Trading A/c, Profit & loss A/C & Profit & loss Appropriation A/C in horizontal form. (7)

Q6(b) Balance sheet with schedules in vertical form. (7)

Particulars	Debit	Credit
Purchase & Return	10,00,000	20,000
Sales & Return	10,000	14,00,000
Preference share capital	-	2,00,000
Equity share capital & Calls	15,000	3,00,000
Opening stock	1,70,000	-
Salary	30,000	
8% Debenture & Interest on Debenture	4,000	1,00,000
Discount	6,000	10,000
Bills	15,000	20,000
Debtors & Creditors	5,00,000	2,00,000
Cash & Bank	5,70,000	3,00,000
Carriage outward	5,000	-
Octroi & Custom duty	7,000	-
Goods given in charity & destroyed by fire	-	20,000
Loss by fire	2,000	-
Donation & charity	8,000	-
Telephone deposit	15,000	-
Baddebt & B.D.R	20,000	15,000
5% Investment & Interest on Investment	3,00,000	5,000
Fixed Assets	2,00,000	
Discount on Debentures	3,000	-
Goodwill	20,000	-
General Reserve	-	1,00,000
Profit & Loss(01/04/12)	-	1,50,000
Fixed deposit	-	60,000
Total	29,00,000	29,00,000



Additional Information.

1. Cost price of closing stock is Rs. 2, 25,000 & its Market Value is 3, 00,000.
2. Salary outstanding Rs.5, 000.
3. Provide Depreciation on Fixed Asset @ 10% p.a.
4. Provide Rs.2, 000 Bad debt & 2% B.D.R. on Debtors.
5. Transfer Rs.10, 000 to General reserve.
6. Company proposed Rs. 10,000 for equity dividend & Rs. 20,000 towards provision for taxes.
7. Debenture Discount written off Rs.1, 000.

OR

Q6 Prepare fund flow statement from below information.

Q6 (a) Working capital sheet & Working note (other A/C) (7)

Q6 (b) Adjusted P & L A/C & Fund flow statement (7)

Balance sheet

Liabilities	2012	2013	Assets	2012	2013
Preference Share capital	100000	120000	Goodwill	30000	40000
Equity Share Capital	200000	250000	Land	50000	40000
Debenture	150000	100000	Building	150000	130000
P & L A/c	50000	160000	Machinery	220000	400000
Creditors	100000	125000	Investment	100000	90000
Bank O.D	80000	55000	Debtors	130000	150000
Bills Payable	20000	30000	Stock	40000	15000
Provision for Tax	40000	50000	Cash	10000	17000
			Underwriting Commission	10000	8000
Total	740000	890000	Total	740000	890000

Additional Information:

1. Dividend paid Rs.25000 during the year.
2. Depreciation on machine is to be provided Rs.30000.
3. Investment of Rs.10000 is sold at a profit of Rs.3000.
4. Taxes paid Rs.45000.
5. Building of Rs.12000 sold for Rs.9000.

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