

Enrollment No: \_\_\_\_\_

Exam Seat No: \_\_\_\_\_

# C. U. SHAH UNIVERSITY

## Winter Examination-2019

Subject Name: **Managerial Accounting**

Subject Code: **5MS01MAA1**

Branch: **MBA**

Semester : **1**      Date : **21/11/2019**

Time : **02:30 To 05:30**

Marks : **70**

### Instructions:

- (1) Use of Programmable calculator and any other electronic instrument is prohibited.
- (2) Instructions written on main answer book are strictly to be obeyed.
- (3) Draw neat diagrams and figures (if necessary) at right places.
- (4) Assume suitable data if needed.

### SECTION – I

**Q-1**      **Attempt the Following questions**      **(07)**

- |    |   |          |
|----|---|----------|
| a. | Name accounting standard 9                                | <b>1</b> |
| b. | Give two examples of real account                         | <b>1</b> |
| c. | State any three reasons for disagreement of trial balance | <b>1</b> |
| d. | State any two advantages of subsidiary books              | <b>1</b> |
| e. | Name any three subsidiary books                           | <b>1</b> |
| f. | Explain with example contra entries                       | <b>1</b> |
| g. | State any two limitations of accounting                   | <b>1</b> |

**Q-2**      **Attempt all questions**      **(14)**

Pass necessary journal entries in the books of Mr. X, post them into ledger and prepare trial balance. (Narration not required)      **14**

1. He starts business for Rs. 90,000
2. Opened a bank account Rs. 5,000
3. Purchase goods Rs. 50,000 @ 10% Trade discount
4. Sold goods to Mr. Y Rs. 30,000
5. Purchase furniture Rs. 3,000
6. Paid salary to Mr. B Rs. 7,000
7. Goods of Rs. 10,000 burnt by fire insurance company accepted a claim of 60%.
8. Received Rs. 20,000 from Mr. Y
9. Paid LIC premium Rs. 2,000

**OR**

**Q-2**      **Attempt all questions**      **(14)**

- |   |  |          |
|---|--|----------|
| a | Name accounting concepts and explain any two concept in detail | <b>7</b> |
| b | Explain accounting standard 1 in detail                        | <b>7</b> |



- Q-3 Attempt all questions (14)**
- a** Explain various branches of accounting **7**
- b** 'accounting information is important to various stakeholders' name them and explain how information is useful to them **7**

**OR**

- Q-3 a** Explain LIFO, FIFO & Weighted average method of stock by periodic method with imaginary figures **7**
- b** Mr. X purchases a motor car for Rs. 4,20,000, He also pays Rs. 30,000 for accessories and Rs. 10,000 for insurance. **7**
- Motor car was having a life of 10 years and 1,20,000 kms.  
Find out depreciation by straight line method for the 2<sup>nd</sup> year, if in the 3<sup>rd</sup> year car ran for 18,000 kms. Depreciation by km. method for the third year and depreciation by sum of year digit method for 9<sup>th</sup> year.

**SECTION – II**

- Q-4 Attempt the Following questions (07)**
- a** Name two items included in profit & loss appropriation account **1**
- b** State any two fictitious assets **1**
- c.** Name any two methods of financial statement analysis **1**
- d** What is the full name of PAT? **1**
- e.** Explain window dressing in brief **1**
- f.** What we get if we deduct stock from current assets? **1**
- g** State any one objective of fund flow statement **1**

- Q-5 Attempt all questions (14)**
- a** Explain in detail classification of ratios **7**
- b** Prepare common size statement from below information and interpret it. **7**

Particulars	2018	2019
Sales	5,00,000	7,50,000
Less : Cost of Goods Sold	3,00,00	3,75,000
Gross Profit	2,00,000	3,75,000
Less : Administrative expense	40,000	1,25,000
Less : Selling expense	60,000	1,50,000
Net Profit	1,00,000	1,00,000

**OR**

- Q-5 a** Discuss advantages and limitations of ratio analysis **7**
- b** Calculate profit & loss account ratios from below information for two years. Stock respectively as on 31/3/17, 31/3/18 & 31/3/19 was respectively 50, 000, 70,000 & 90,000. Rate of Income tax for all three years was 40% **7**

Particulars	31/3/2018	31/3/2019
Sales	5,00,000	7,50,000
Less : Cost of Goods Sold	3,00,00	3,75,000



Gross Profit	2,00,000	3,75,000
Less : Administrative expense	40,000	1,25,000
Less : Selling expense	60,000	1,50,000
Net Profit	1,00,000	1,00,000

- Q-6 Attempt all questions (14)**  
Provide the specimen of vertical balance sheet with imaginary figures with all schedules in detail **14**

**OR**

- Q-6 Attempt all Questions**  
**a** Prepare statement showing change in working capital from below information **7**

Particulars	2018	2019
Stock	1,00,000	1,25,000
Debtors	1,20,000	95,000
Creditors	70,000	80,000
Bills payable	10,000	15,000
Bills receivable	40,000	25,000
Bank OD	2,00,000	1,70,000
Provision for taxation	60,000	90,000
Cash	1,30,000	1,05,000
Prepaid expense	25,000	15,000
Outstanding rent	37,000	45,000
Proposed dividend	45,000	27,000

- b** Prepare Adjusted Profit & loss account and fund flow statement from below information **7**

Particulars	2018	2019
Equity share capital	5,00,000	6,00,000
Preference share capital	2,00,000	2,50,000
Debentures	3,00,000	1,50,000
General reserve	1,00,000	1,20,000
P & L account	1,20,000	1,50,000
Share premium	80,000	1,00,000
Total	13,00,000	13,70,000
Goodwill	2,00,000	3,00,000
Fixed assets	8,00,000	7,50,000
Investment	2,50,000	2,90,000
Underwriting Commission	50,000	30,000
Total	13,00,000	13,70,000

Presume change in working capital is NIL

