

# C. U. SHAH UNIVERSITY

## Winter Examination-2022

**Subject Name: Managerial Accounting**

**Subject Code: 5MS01MAA1**

**Branch: MBA**

**Semester: 1**

**Date: 13/03/2023**

**Time: 10:30 To 01:30**

**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.
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### SECTION – I

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

- |    |  |   |
|----|--|---|
| a. | Name accounting standard 9 & 13          | 1 |
| b. | State rules of nominal account           | 1 |
| c. | Give two examples of real account        | 1 |
| d. | Explain contra entries                   | 1 |
| e. | State the full form of LIFO              | 1 |
| f. | Name any two branches of accounting      | 1 |
| g. | Name columns of three columner cash book | 1 |

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

- |          |  |           |
|----------|--|-----------|
| <b>A</b> | Name different accounting concepts             | <b>07</b> |
| <b>B</b> | State advantages and limitations of accounting | <b>07</b> |

**OR**

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

- |          |   |           |
|----------|---|-----------|
| <b>A</b> | Prepare Trading account and P & L account from below information. | <b>07</b> |
|----------|---|-----------|

Particulars	Amount
Total sales	2,00,000
Credit purchase	1,20,000
Opening stock	75,000
Carriage inward	15,000
Cash sales	40,000
Cash purchase	30,000
Return outward	10,000
Salary	20,000
Octroi	5,000
Interest on capital	8,000
Capital	72,000
Depreciation	5,000



Loss by fire	2,000
Closing stock	95,000

- B** One machine was purchased on 1/1/2022 for Rs. 2,00,000, cost of installation of the same was Rs. 25,000, residual value at the end of its useful life of five years (10,000 Hours) is estimated at Rs. 5,000. Accounting year ends on 31st December every year. Calculate (1) Depreciation by straight line method for first year. (2) Depreciation for second year by sum of year digit method. (3) Presuming 2,500 hours worked during 3rd year, depreciation by machine hour (unit) method for 3rd year. **07**
- Q-3 Attempt all questions (14)**
- A** Give the specimen of Purchase book, Sales book, Sales return book and Purchase return book. **07**
- B** Journalize the following transaction & post first two transactions into ledger. (Narration not required & balancing of accounts not required) **07**
1. Mr. X starts business with Cash Rs. 20,000, Stock Rs. 10,000
  2. Purchased goods from Mr. Y Rs. 40,000 @10% T.D. & 5 % C.D. paid 40 % in cash.
  3. Goods of Rs. 15,000 burnt by fire insurance company accepted 40 % of claim.
  4. Paid balance amount to Mr. Y after deducting Rs. 2,000 towards discount.
  5. Paid Salary to Mr. A Rs.5,000
- OR**
- Q-3 A** Explain accounting standard 1 in detail **07**
- B** Discuss users of accounting information **07**

## SECTION – II

- Q-4 Attempt the Following questions (07)**
- a. Name any three financial statement analysis methods **1**
  - b. Give full form of EBIT **1**
  - c. If Current assets are Rs. 1,20,000 and Current liabilities are Rs. 70,000 find out working capital **1**
  - d. Name any three balance sheet ratios. **1**
  - e. State the meaning of window dressing **1**
  - f. What is the full name of IFRS ? **1**
  - g. Give any two examples of contingent liability **1**
- Q-5 Attempt all questions (14)**
- A** State advantages and limitation of ratios **07**
- B** Give the specimen of vertical balance sheet of company **07**
- OR**
- Q-5 A** Explain common size statement method with imaginary figures **07**
- B** Calculate GP ratio, NP ratio from below information Sales Rs.6,00,000, Cost of goods sold Rs.3,50,000, Expenses Rs. 90,000 and income tax rate 50%. **07**



- Q-6 Attempt all questions (14)**
- A** Capital employed Rs.10,00,000,9% Debenture Rs. 3,00,000, 7% Preference share capital Rs. 2,00,000, EBT(PBT) Rs.3,00,000, Income tax rate 50%. Calculate return on capital employed, return on shareholder's fund & return on equity share holder fund. **07**
- B** Prepare profit & loss appropriation account from below information. Net profit Rs 4,00,000, transfer to general reserve Rs. 80,000, opening balance and closing balance Rs 70,000 and Rs. (?)respectively, proposed dividend Rs 30,000, Provision for tax 70,000. **07**

**OR**

- Q-6 Attempt all Questions (14)**
- A** Prepare Fund flow statement, Adjusted P & L account, Working capital sheet and other necessary accounts from the below information.

Liabilities	2021	2022	Assets	2021	2022
Preference share capital	90,000	1,10,000	Goodwill	30,000	40,000
Equity share capital	2,00,000	2,40,000	Land	50,000	40,000
Debenture	1,50,000	1,20,000	Building	1,50,000	1,30,000
P&L account	50,000	1,60,000	Machinery	2,00,000	4,10,000
Creditors	1,00,000	1,30,000	Investment	1,00,000	90,000
Bank OD	80,000	60,000	Debtors	1,30,000	1,50,000
Bills payable	10,000	30,000	Stock	40,000	15,000
Provision of tax	40,000	50,000	Cash	10,000	17,000
			Debtors Discount	10,000	8,000
<b>Total</b>	<b>7,20,000</b>	<b>9,00,000</b>		<b>7,20,000</b>	<b>9,00,000</b>

Additional Information: 1. Dividend paid Rs. 30,000 during the year. 2. Depreciation on machine is to be provided Rs. 40,000. 3. Investment of Rs. 10,000 is sold at a profit of Rs. 2,000. 4. Taxes paid Rs. 42,000. 5. Building of Rs.12000 sold for Rs.10,000.

