

21MBA1C3L**MBA I Semester (NEP) Degree Examination, June - 2023****MANAGEMENT****Accounting for Managers**

Time : 3 Hours

Maximum Marks : 70

Note : Answer **any five** of the following questions with **Question No.1 (Q1) Compulsory**, each question carries **equal** marks.

1. Define Accounting. Discuss how accounting information is useful to various stakeholders in business ? **14**
2. Dr. Reddy, after retiring from a government co started, a Reddy pharma company in Bangalore on 1st April, 2022 and provides the following balances for the year ending 31st March 2023. **14**

Particulars	Debit	Credit
Drawings and Capital	12,000	90,000
Purchase and Sales	4,95,000	6,76,000
Debtors and Creditors	84,000	38,000
Bills receivable and payables	4,900	3,700
Opening Balance	40,000	-
Plant and Machinery	56,000	-
Furniture	8,500	-
Cash at Bank	21,650	-
Building rent	9,600	-
Salaries	16,910	-
Printing and Postage	3,800	-
Travelling	7,900	-
Other Expenses	41,800	-
Insurance	1,040	-
Suspense Account	3,000	-
Telephone	1,600	-
Total	8,07,700	8,07,700

Prepare Reddy's Trading, Profit and Loss for the year ended 31st March 2023, and Balance Sheet as on that date after considering below information.

- Value of stock amounted to Rs. 50,000
- Depreciate machinery at 10% p.a and furniture at 5% p.a
- Suspense account includes money advanced to sales manager who was sent to Delhi for business trip. He spent Rs 900 for miscellaneous expenses. The balance is yet to be refunded by him.
- The bad debts amounted to Rs. 2,000 and Dr. Reddy has a policy of maintaining 2% of the remaining debtors as provision for future bad debts.

3. Balance sheet of Devishree Ltd as on 1-1-2022 and 31-12-2022 were as follows

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Liabilities	1-1-2022	31-12-2022	Assets	1-1-2022	31-12-2022
Creditors	Rs. 40,000	Rs. 44,000	Cash	Rs. 10,000	Rs. 7,000
Mrs. Devi		_____	Debtors	Rs. 30,000	Rs. 50,000
Loan	Rs. 25,000		Stock	Rs. 35,000	Rs. 25,000
Loan from			Machinery	Rs. 80,000	Rs. 55,000
Bank	Rs. 40,000	50,000	Land	Rs. 40,000	Rs 50,000
Capital	Rs. 1,25,000	1,53,000	Building	Rs. 35,000	Rs. 60,000
Total	Rs. 2,30,000	Rs. 2,47,000	Total	2,30,000	2,47,000

During the year, a machine costing Rs. 10,000 (accumulated depreciation Rs. 3,000) was sold for Rs 5,000. The provision for depreciation against machinery as on 1-1-2022 was Rs. 25,000 and on 31-12-2022 Rs. 40,000, Net profit for the year 2022 amounted Rs. 45,000. You are required to prepare cash flow statement.

4. Define Marginal Costing. Discuss the major areas of managerial decisions opened up by the applications of marginal costing. 14

5. What is Financial Reporting ? Explain the qualities of good financial report. 14

6. From the following information, prepare a summarized balance sheet as on 31st March, 2022 14

- Stock velocity : 6
- Creditors payment period : 73 days
- Fixed Assets Turnover Ratio : 4
- Capital turnover ratio : 2
- Gross profit : 20%
- The gross profit was Rs. 60,000
- Closing stock was Rs. 5000 in excess of opening stock
- Debt collection period : 2 months

All working should form part of your answer.



7. (a) The cost of production of 5000 units is given below : 7
- | | |
|------------------|------------------------|
| Materials | Rs. 40,000 |
| Labour overheads | Rs. 20,000 |
| Overheads | Rs. 30,000 (60% fixed) |
- Find out the marginal cost in total and per unit and test the equation
 $TC = VC + FC$
- (b) A Company's turnover in a year was Rs. 50,00,000 its profit was Rs. 5,00,000 and its PV ratio was 40%. What is the breakeven point ? 7
8. (a) Write a short note on Human Resource Accounting. 5
- (b) Discuss briefly about Accounting Concepts. 5
- (c) Write a short note on Corporate Social Reporting. 4

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