



MBA DEGREE EXAMINATIONS: NOV/DEC 2023

(Regulation 2022)

First Semester

MBA - PROJECT MANAGEMENT

P22MPF1502: Accounting for Management

COURSE OUTCOMES

CO1: Outline the basic concepts of accounting for project management.

CO2: Interpret financial statements for decision making.

CO3: Construct different types of cost and budget statements.

Time: Three Hours

Maximum Marks: 100

PART A (Case Study) (1Q x 20 Marks = 20 Marks) Compulsory

- 1 From the following particulars presented by Thilak for the year ended 31st March, 2017, Solve profit and loss account. CO1 [K₂]

Particulars	₹	Particulars	₹
Gross profit	1,00,000	Interest received	6,000
Rent paid	22,000	Bad debts	2,000
Salaries	10,000	Provision for bad debts (1-4-2016)	4,000
Commission (Cr.)	12,000	Sundry debtors	40,000
Discount received	2,000	Buildings	80,000
Insurance premium paid	8,000		

Adjustments:

- i. Outstanding salaries amounted to Rs. 4,000
- ii. Rent paid for 11 months
- iii. Interest due but not received amounted to Rs. 2,000
- iv. Prepaid insurance amounted to Rs. 2,000
- v. Depreciate buildings by 10%
- vi. Further bad debts amounted to Rs. 3,000 and make a provision for bad debts @ 5% on sundry debtors
- vii. Commission received in advance amounted to Rs. 2,000

PART B (5Q x 4 Marks = 20 Marks) Compulsory

- 2 Explain the uses of Financial Accounting and List out its Concepts. CO1 [K₂]
- 3 Explain the Limitations of ratio analysis CO2 [K₂]
- 4 Compare & Contrast Fund flow and cash flow analysis. CO2 [K₂]
- 5 From the following information's solve: CO3 [K₃]

- a. P/V Ratio
- b. Sales &
- c. Margin of Safety
- Fixed Cost = Rs.40, 000
- Profit = Rs. 20,000
- B.E.P. = Rs. 80,000

6 Explain Nature and objectives of budgetary control CO3 [K₂]

Part – C (6Qx10 Marks = 60 marks) Answer all the Questions

7 a Shah Garden Center is retail garden supplier. Record the transactions CO1 [K₂]

needed to journalize, post to respective ledger account and show Trial Balance of the following for October, 2011 of the current year:

Oct. 2 Purchased inventory on credit terms of 1/10 net 30. FOB shipping point, for Rs. 3,000. Freight charges on the purchase were Rs. 150.

Oct. 9 Sold Garden supplies on credit terms 3/20 net 30, FOB shipping point, for Rs. 4,000. The cost of the supplies sold was Rs. 2,500.

Oct. 10 Paid the amount owed on account for the Oct. 2 inventory purchase.

Oct. 15 Received merchandise that was returned as defective, originally sold for Rs. 500 on Oct. 9. The original cost of the supplies returned was Rs. 275.

Oct. 25 Received payment on account for the Oct. 9 sale less the appropriate sales discount.

Oct. 28 Inventory lost by fire of cost Rs. 350.

(OR)

7 b The following balances were extracted from the books of Thomas CO1 [K₂]
as on 31st March, 2018

Particulars	₹	Particulars	₹
Purchases	75,000	Capital	60,000
Returns inward	2,000	Creditors	30,000
Opening stock	10,000	Sales	1,20,000
Freight inwards	4,000	Returns outward	1,000
Wages	2,000		
Investments	10,000		
Bank charges	1,000		
Land	30,000		
Machinery	30,000		
Building	25,000		
Cash at bank	18,000		
Cash in hand	4,000		
	2,11,000		2,11,000

Additional information:

- i. Closing stock Rs. 9,000
- ii. Provide depreciation @ 10% on machinery
- iii. Interest accrued on investment Rs. 2,000

show trading account, profit and loss account and balance sheet.

- 8 a The Balance sheet of Naronath & Co. as on 31.12.2000 shows as follows: CO2 [K₂]

Liabilities	\$	Assets	\$
Equity capital	1,00,000	Fixed Assets	1,80,000
15% Preference shares	50,000	Stores	25,000
12% Debentures	50,000	Debtors	55,000
Retained Earnings	20,000	Bills Receivable	3,000
Creditors	<u>45,000</u>	Bank	<u>2,000</u>
	<u>2,65,000</u>		<u>2,65,000</u>

show on the financial position of the Company i. e., Debt – Equity Ratio, Fixed Assets Ratio, Current Ratio, and Liquidity.

(OR)

- 8 b Explain the procedure for the preparation of cash flow statement. CO2 [K₂]

- 9 a From the data calculate: CO2 [K₃]

- (i) Gross Profit Ratio (ii) Net Profit Ratio (iii) Return on Total Assets
(iv) Inventory Turnover (v) Working Capital Turnover (vi) Net worth to Debt

Sales	25,20,000	Other Current Assets	7,60,000
Cost of sale	19,20,000	Fixed Assets	14,40,000
Net profit	3,60,000	Net worth	15,00,000
Inventory	8,00,000	Debt.	9,00,000
Current Liabilities	6,00,000		

(OR)

- 9 b Following are the balance sheets of a Vijay & son: CO2 [K₃]

Liabilities	1-1-05	31-12-05	Assets	1-1-05	31-12-05
Creditors	36,000	41,000	Cash	4,000	3,600
Loan from Partner	-	20,000	Debtor	35,000	38,400
Bank Loan	30,000	25,000	Stock	25,000	22,000
Capital	1,48,000	1,49,000	Land	20,000	30,000
			Building	50,000	55,000
			Machinery	80,000	86,000
	2,14,000	2,35,000		2,14,000	2,35,000

During the year Rs. 26,000 paid as dividend. The provision made for depreciation against machinery as on 1.1.05 was Rs. 27,000 and on 31.12.05 Rs 36,000. Construct a cash flow statement.

- 10 a Perfect Ltd. gives the following Balance sheet. You are required to solve the following ratios. CO2 [K₃]
- (a) Liquid Ratio
 (b) Solvency Ratio
 (c) Debt-Equity Ratio
 (d) Stock of Working Capital Ratio

Balance Sheet

Liabilities	Rs.	Assets	Rs.
Equity share capital	1500000	Fixed Assets	1400000
Reservefund	100000	Stock	500000
6%Debentures	300000	Debtors	200000
Overdraft	100000	Cash	100000
Creditors	<u>2000000</u>		<u>2200000</u>

(OR)

- 10 b Explain the steps involved in Cost sheet Preparation and its importance in Costing CO3 [K₃]

- 11 a The elements of cost accounting is essential for preparation of cost sheet. Explain CO3 [K₂]

(OR)

- 11 b Pepsi Company produces a single article. Following cost data is given about its product: - CO3 [K₃]
- Selling price per unit Rs.40
 Marginal cost per unit Rs.24
 Fixed cost per annum Rs. 16000
- Solve: (a)P/V ratio (b) break even sales (c) sales to earn a profit of Rs. 2,000 (d) Profit at sales of Rs. 60,000 (e) New break-even sales, if price is reduced by 10%.

- 12 a Explain about the different types of budgets and suggest which is most essential for startups. CO3 [K₂]

(OR)

- 12 b Explain in detail the merits and demerits of Budgetary control system with suitable examples. CO3 [K₂]
