KUMARAGURU
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Register Number: …………………

MBA DEGREE EXAMINATIONS: NOV / DEC 2024

(Regulation 2024)

First Semester

MBA – PROJECT MANAGEMENT

24PMT503**:** Accounting for Managers

COURSE OUTCOMES

CO1: Understand key financial statements to assess organizational performance.

CO2: Apply fundamental accounting principles to prepare comprehensive financial statements.

CO3: Display ability to perform financial statement analysis using Spreadsheet in horizontal, vertical, and ratio analysis techniques to inform strategic decisions.

Time: Three Hours **Maximum Marks: 100**

PART A (10Q x 10 Marks = 100 Marks) Answer Any Ten Questions Only

1. Explain any 5 Accounting Concepts and Conventions with an example each. CO1 [K_2]

2. Examine the fundamental objectives of IFRS in promoting transparency, accountability, and comparability in financial reporting. CO1 [K_4]

3. MNM Ltd. Provides you the following trial balance as of March 31, 2024: CO2 [K_3]

Particulars	**Debit (Rs.)**	**Credit (Rs.)**
Drawings	5,000	
Sundry Debtors	60,000	
Coal, Gas & Water	10,500	
Return inward	2,500	
Purchases	2,65,500	
Stock on 01.04.2023	89,700	
Travelling expenses	51,250	
Interest on Loan Paid	300	
Petty Cash	710	
Repairs	4,090	
Investments	70,000	
Capital		1,31,500
Loan at 6% p.a		20,000
Sales		3,56,500
Interest on Investments		2,550
Sundry Creditors		40,000
Total	5,50,550	5,50,550

Additional Information:

a) Closing stock was Rs. 1,30,000 on 31st March, 2024.

b) Create 5% provision for bad and doubtful debts on sundry debtors.

c) Create provision at 2% for discount on debtors.
d) Interest on loan due for 9 months.

You are asked to prepare the Financial Statements of MNM Ltd for the year ended 31st March 2024.

4. Shine Ltd. started the financial year with an opening retained earnings balance of Rs.1,00,000 and an opening shareholders' equity balance of Rs.4,00,000. During the year, the company generated a net income of Rs.60,000 and declared dividends of Rs.20,000. Additionally, the company issued new shares worth Rs.40,000 and revalued its assets, resulting in an increase in equity of Rs.10,000. CO1 [K_4]

You are asked to:

a) Prepare the Statement of Retained Earnings for the year.
b) Prepare the Statement of Shareholders' Equity for the year, showing the changes in equity.

5. From the following particulars, analyze and prepare comparative balance sheet of Malar Ltd as on 31st March 2023 and 31st March 2024. CO2 [K_4]

Particulars	**31st March 2023**	**31st March 2024**
	Rs.	Rs.
I. EQUITY AND LIABILITIES		
1. Shareholders' fund		
a) Share capital	2,00,000	2,50,000
b) Reserves and surplus	50,000	50,000
2. Non-current liabilities		
Long-term borrowings	30,000	60,000
3. Current liabilities		
Trade payables	20,000	60,000
Total	3,00,000	4,20,000
II. ASSETS		
1. Non-current assets		
a) Fixed assets	1,00,000	1,50,000
b) Non - current investments	50,000	75,000
2. Current assets		
Inventories	75,000	1,50,000
Cash and cash equivalents	75,000	45,000
Total	3,00,000	4,20,000

6. The comparative statements of income and financial position are given below: CO3 [K_4]

Particulars	**2024 (Rs.)**	**2023 (Rs.)**
Net sales	1,00,000	1,50,000
Less: Cost of sales	70,000	1,10,000
Gross Profit	30,000	40,000
Less: Operating Expenses	20,000	25,000
Net profit	10,000	15,000
Cash in hand	5,000	8,000
Cash at Bank	4,000	2,000
Debtors	40,000	25,000
Stock at cost	15,000	10,000
Fixed Assets (net)	56,000	65,000
Total (A)	1,20,000	1,10,000
Creditors	36,000	12,000
Bills payable	2,000	1,000
Mortgage loan	10,000	20,000
Equity Share capital	60,000	70,000
Reserves and surplus	12,000	7,000
Total (B)	1,20,000	1,10,000

Analyze and calculate the following ratios for both the years and comment your interpretations:

a) Current Ratio
b) Net Profit Ratio
c) Debtors Turnover Ratio
d) Stock Turnover Ratio

7. The standard cost of a chemical mixture as follows: CO3 [K_3]

40% of Material A at Rs. 20/kg

60% of Material B at Rs. 30/kg

A standard loss of 10% of input is expected in production. The cost records for a period showed the following usage:

90kg of Material A at a cost of Rs. 18/kg

110kg of Material B at a cost of Rs. 34/kg

The quantity produced was 182kg of good product

You are asked to calculate: and solve

a) Material Cost Variance
b) Material Price Variance
c) Material Quantity Variance

8. Pandian & Co, manufactures a particular item with the following information: CO3 [K_3]

Sales price	Rs.80 per unit
Variable costs	Rs.30 per unit
Fixed Costs	Rs.5 per unit
Units produced and sold	10,000

Calculate the following based on the above information:

A. Contribution margin per unit

B. Contribution margin ratio

C. Break-even point in units

D. Break-even point in sales (Rs.)

9. A factory which expects to operate 7000 hours (ie) 70% level of activity furnishes the following details of expenses CO3 [K_3]

Variable expenses	Rs. 1260
Semi variable expenses	Rs. 1200
Fixed expenses	Rs. 1800

The semi-variable expenses go up by 10% between 85% and 95% activity and by 20% above 95% activity. Construct a flexible budget for 80, 90 and 100 percent activities.

10. Define Zero-Based Budgeting (ZBB). How does it differ from traditional budgeting methods? Explain applicability in cost control and decision-making. CO1 [K_2]

11. HGK Ltd gives you the following information: CO3 [K_2]

Net Income: Rs. 2,00,000

Revenue: Rs. 10,00,000

Total Assets: Rs. 5,00,000

Shareholder's Equity: Rs. 2,50,000

You are asked to:

Calculate RoE and interpret the results using DuPont Analysis

Explain how DuPont Analysis helps in understanding a company's financial performance.

12. PQR Ltd gives you the following information: CO2 [K_4]

Income Statement Information:

- Cash sales: ₹8,00,000
- Credit sales: ₹5,00,000
- Cost of goods sold: ₹7,00,000
- Salaries paid: ₹1,50,000
- Rent paid: ₹50,000
- Interest paid: ₹20,000
- Income tax paid: ₹30,000

Balance Sheet Information:

- Opening accounts receivable: ₹1,00,000
- Closing accounts receivable: ₹80,000
- Opening accounts payable: ₹50,000
- Closing accounts payable: ₹70,000
- Depreciation for the year: ₹1,00,000

Additional Information:

- No dividends were paid during the year.
- There were no changes in inventory levels.

You are asked to:

Analyze and Prepare Cash Flow Statement under direct method.

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