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SIDDHARTH INSTITUTE OF ENGINEERING & TECHNOLOGY:: PUTTUR  
(AUTONOMOUS)MBA I Year I Semester Regular Examinations Jan 2020  
ACCOUNTING FOR MANAGERS

Time: 3 hours

Max. Marks: 60

## SECTION – A

(Answer all Five Units 5 x 10 = 50 Marks)

**UNIT-I**

- 1 According to the principles of 'Double entry system' Every debit has a Corresponding credit. Explain it in detail. **10M**

OR

- 2 a What are the various accounting concepts? **5M**  
b Classify the types of accounts and write accounting rules. **5M**

**UNIT-II**

- 3 Journalize the following transactions in the books of Mohan. **10M**

2002		
Jan 1	Started business with cash	Rs.1,00,000
Jan 2	Purchased buildings	Rs.40,000
Jan 3	Bought machinery for cash	Rs. 10,000
Jan 4	goods purchased for cash	Rs.10,000
Jan10	goods purchased from Ramu	Rs.2,000
Jan 15	sale of goods to Krishna	Rs.10,000
Jan 17	Goods returned by Krishna	Rs. 2,000
Jan 21	withdrawn cash from bank for personal use	Rs.1,000
Jan 22	withdrawn cash for office use	Rs.2,000
Jan 29	Cash paid to Ramu Rs.1900 & Received a discount of	Rs.100
Jan31	Paid salaries	Rs1,000

OR

- 4 On 1<sup>st</sup> January, 2001 machinery was purchased by Mr.Prabhakar for Rs 80,000. On 1<sup>st</sup> July, 2002 he made addition at a cost of Rs 20,000. Again on 1<sup>st</sup> April, 2003 further additions were made at a cost of Rs 10,000. Prabhakar closes books every year on 31<sup>st</sup> December. What would be closing balance of machinery account on 31<sup>st</sup> December, 2003? If he provides depreciation on diminishing balance method at 10% p.a? Show machinery account for three years. **10M**

**UNIT-III**

- 5 a Explain the various steps in the preparation of funds flow statement. **5M**  
b Define working capital. What are the sources of working capital? **5M**

OR

P.T.O

- 6 From the following balances you are require to calculate cash from operations: 10M

Particulars	31.12.2001	31.12.2002
Debtors	50,000	47,000
Bills receivable	10,000	12,500
Creditors	20,000	25,000
Bills payable	8,000	6,000
Outstanding expenses	1,000	1,200
Prepaid expenses	800	700
Accrued income	600	750
Income received in advanced	300	250
Profit made during the year		1,30,000

**UNIT-IV**

- 7 a. Explain the uses of break-even analysis in profit planning. 5M  
 b. Discuss the applications of the marginal costing technique. 5M

**OR**

- 8 From the following information calculate: 10M  
 Total sales Rs.3, 60,000, Selling price per unit Rs.100, Variable cost per unit Rs.50  
 Fixed cost Rs.1, 00,000.

(i) P/V Ratio. (ii) Breakeven point. (iii) Margin of safety.

**UNIT-V**

- 9 How do you classify the costs? State various methods. 10M

**OR**

- 10 Describe the relationship between cost accounting and financial accounting. 10M

**SECTION – B****(Compulsory Question)****1 x 10 = 10 Marks**

Prepare Trading, Profit and Loss Account and balance sheet, from the following Trial Balance of Ramu as on 31-December-2005.

Debit account balances	Amount in Rs.	Credit account balances	Amount in Rs
Buildings	35,000	Capital	40,000
Loose Tools	5,600	Mortgage Loan	20,000
Plant & Machinery	45,500	Bills Payable	3,400
Sundry Debtors	18,200	Sales	1,21,500
Cash at Bank	11,000	Creditors	15,600
Stock on 1-1-2005	10,500	Discount	175
Insurance	300		
Bad Debts	560		
Bills Receivable	5,400		
Purchases	50,000		
Cash on Hand	640		
Rent, Rates	1,300		
Interest	250		
Wages	10,700		
Trade Expenses	150		
Salaries	1560		
Repairs	875		
Carriage Inward	350		
Discount	290		
Drawings	2,500		
<b>Total</b>	<b>2,00,675</b>	<b>Total</b>	<b>2,00,675</b>

**Adjustments:** 1. Closing Stock Rs.30, 000. 2. Unexpired Insurance Rs. 90.  
3. Salaries & rent are outstanding to the extent of Rs.140 and 60.  
**\*\*\* END \*\*\***