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**PRESIDENCY UNIVERSITY
BENGALURU**

SET B

**SCHOOL OF MANAGEMENT
MID TERM EXAMINATION - DEC 2023**

Semester : Semester I - 2023

Course Code : MBA2034

Course Name : Sem I - MBA2034 - Accounting for Managers

Program : MBA

Date : 05-DEC-2023

Time : 2:00PM - 3:30PM

Max Marks : 50

Weightage : 25%

Instructions:

- (i) Read all questions carefully and answer accordingly.
- (ii) Question paper consists of 3 parts.
- (iii) Scientific and non-programmable calculator are permitted.
- (iv) Do not write any information on the question paper other than Roll Number.

Part A [Memory Recall Questions]

Answer all the Questions. Each question carries two marks.

(5Qx 2M= 10M)

1. The end function of accounting is communication. Who is interested in knowing the internal accounting information of a Business concern?
(CO1) [Knowledge]
2. The purpose of Management accounting is to provide information to Managers in taking day to day business decisions. State in this regard any two differences between Financial accounting and Management accounting.
(CO1) [Knowledge]
3. Mr. Joseph purchased second hand Motor Vehicle for Rs. 5,00,000 and had spent Rs. 50,000 on making it reusable. After few months Vehicle was damaged and he had to spend Rs.10,000 on its repair. Identify Capital Expenditure made by Mr. Joseph.
(CO1) [Knowledge]
4. Equity is shown with liability in the balance sheet. Identify the GAAP involved in this transaction.
(CO1) [Knowledge]
5. Depreciation is charged on all the fixed assets as per Accounting Standard. Explain any two methods of charging Depreciation
(CO1) [Knowledge]

Part B [Thought Provoking Questions]

Answer all the Questions. Each question carries five marks.

(4Qx 5M= 20M)

6. Accounting concepts are ideas, assumptions and conditions based on which a business entity records its financial transactions and organizes its bookkeeping. It helps a business to interpret and integrate a financial transaction into the accounting process. Describe in this context any five accounting principles.
(CO1) [Comprehension]

7. Manoj, a newly appointed accountant does not know how to prepare a trial balance. As a finance manager you are required to help him in preparing trial balance

Particulars	Amount (Rs.)
Drawings	2,400
Stock on 1-4-20	9,500
Building	3,600
Purchases	14,250
Return outward	7,300
Carriage outward	300
Sales	22,500
Stock on 31-3-21	13,000
Returns inwards	1,800
Capital	10,000
Carriage inward	450
Discount received	770
Salary	5,000
Electric bill	3,270

(CO1) [Comprehension]

8. You are given the Balance sheet of Harsh Ltd as on 31st March, 2021. Estimate the amount of Non-current liabilities from the balance sheet

Particulars	₹ (Crores)
Property, plant and equipment	1,500
Equity share capital	1,300
Long term investment	1,000
Other equity	500
Trade receivables	1,500
Inventories	500
Trade payables	900
Deferred tax liability	340
Long term borrowings	460
Long term provisions	400
Short term borrowings	800
Short term provisions	1,000
Cash and cash equivalent	400
Capital work in progress	800

(CO2) [Comprehension]

9. Shanta Ltd. purchased a plant on 1-6-2015 for Rupees 60,000. It charges depreciation on Diminishing balance method at 20%. It sold the plant on 31-3-2018 for Rupees 40,000. How much is profit or loss on sale?

(CO1) [Comprehension]

Part C [Problem Solving Questions]

Answer all the Questions. Each question carries ten marks.

(2Qx 10M= 20M)

10. From the following transactions, you are required to prepare accounting equation and prove that after every transaction, accounting equation is satisfied

- Mohan started business with Rs. 5,00,000
- Mohan borrowed Rs. 10,00,000 from SBI
- Purchased Building for Cash Rs. 4,00,000
- Purchased furniture for Cash Rs. 2,00,000
- Purchased inventory on credit from B for Rs. 3,00,000
- Sold half of the goods at a profit of 20% for cash
- paid salary to staff Rs. 40,000
- Charged depreciation on building @ 10%

(CO1) [Application]

11. Walter company purchased a Boiler on 1st April 2018 for Rs. 12,00,000. It incurred wages on loading and unloading of the boiler amounting to Rs. 2,00,000 for bringing the Boiler to its factory. The company decided to charge depreciation on this Boiler at 15% per annum on diminishing balance method. This Boiler has a life of 5 years. However, the boiler was defective and it required repair expenses just after one year of its use. Accordingly company incurred Rs. 3,00,000 on 1st April 2019 on repairs. You are required to compute depreciation and net book value of the Boiler for all 5 years.

(CO1) [Application]