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St. Claret College

Autonomous, Bengaluru

ROLL NO:

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ST. CLARET COLLEGE PG LIBRARY Bengaluru-13 AUTONOMOUS

PG END SEMESTER EXAMINATION-APRIL 2026
MBA FIRST SEMESTER
MBA 1324: ACCOUNTING FOR MANAGERS

TIME: 3 hours. **MAX. MARKS: 70**

This paper contains FOUR printed pages and FOUR parts

Instructions:
1. **Verify and ensure that the question paper is completely printed.**
2. **Any discrepancies or questions about the exam paper must be reported to the COE within 1 hour after the examination.**
3. **Students must check the course title and course code before answering the questions.**

PART-A

Answer SEVEN questions out of NINE. Each answer carries TWO marks. **[2x7 = 14]**

1. What is the difference between Ledger and Journal?
2. Name any two key objectives of IFRS.
3. What is window dressing in financial statements? Give an example.
4. What is a sole proprietorship? Give an example.
5. ABC Ltd. reported the following balances:

   Opening Equity (1st April 2023): ₹10,00,000

   Net Profit for the Year: ₹2,50,000

   Dividends Paid: ₹50,000

   Calculate the Closing Equity as of 31st March 2024.
6. What is Cloud Accounting? Mention any two benefits of using it over traditional accounting systems.
7. What is Triple Bottom Line (TBL) Reporting? List its three key components.
8. What is a Cost Sheet, and what are its two main purposes in cost accounting?
9. Write the significance of Dupont Analysis.

PART-B

Answer any FOUR questions out of SIX. Each answer carries FIVE marks. **[5x4=20]**

10. Explain the importance and key components of the Income Statement in financial reporting. How does it help stakeholders in decision-making?

11. The budgeted expenses for 12,000 units of production are as follows:

Expense	₹ per unit
Direct Materials	150
Direct Labour	80
Variable Overheads	50
Fixed Overheads (₹ 4,00,000)	-
Selling Expenses (30% fixed)	40
Administration Expenses (50% fixed)	25
Total Cost	**345**

Prepare a flexible budget for 9,000 units.

12. From the following data, you are required to calculate:

a) Profit Volume (PV) Ratio

b) Break-even sales

c) Sales required to earn a profit of ₹7,50,000

Particulars	Amount (in ₹)
Fixed Expenses	2,00,000
Direct Material per unit	12
Direct Labour per unit	5
Direct Overheads per unit	80% of Direct Labour
Selling Price per unit	30

13. Journalize the following transactions in the books of Rajesh & Co. for January 2024:

Date	Transaction
Jan-01	Rajesh started business with cash ₹ 3,00,000
Jan-02	Opened a bank account and deposited ₹ 1,20,000
Jan-05	Purchased goods from Suresh on credit for ₹ 75,000
Jan-07	Cash sales of goods worth ₹ 50,000
Jan-09	Paid rent for shop ₹ 15,000
Jan-15	Sold goods on credit to Meena for ₹ 40,000
Jan-20	Withdrawn cash from bank for personal use ₹ 10,000
Jan-25	Paid salary to employees ₹ 35,000
Jan-28	Paid to Suresh in full settlement ₹ 74,000
Jan-31	Received ₹ 38,000 from Meena in full settlement

Pass the necessary journal entries for the above transactions.

14. From the following, calculate trend percentages (considering 2021 as the base year).

Items	2021 (₹)	2022 (₹)	2023 (₹)	2024 (₹)
Debtors	6,500	7,800	9,200	10,500
Stock	8,000	9,500	10,000	11,500
Land	10,000	11,500	12,800	14,000
Buildings	20,000	22,500	25,000	27,500
Plant & Machinery	24,000	26,500	29,000	32,000

15. A growing company requires separate accounting information for cost control, and decision-making. Explain the branches of accounting that meet these needs.

PART-C

Answer any TWO questions out of FOUR. Each answer carries TEN marks. **[10X2=20]**

16. Explain the concepts of Human Resource Accounting (HRA) and Forensic Accounting. Discuss their significance in modern business practices.

17. The following is the Balance Sheet of ABC Ltd. as on 31st March 2024.

Liabilities	₹	Assets	₹
Equity Share Capital	5,50,000	Goodwill	2,50,000
General Reserve	3,50,000	Land & Building	5,00,000
10% Debentures	6,00,000	Plant & Machinery	4,00,000
Sundry Creditors	90,000	Stock	3,00,000
Bills Payable	50,000	Sundry Debtors	1,00,000
Bank Overdraft	80,000	Bills Receivable	1,50,000
Outstanding Expenses	40,000	Cash Balance	40,000
		Prepaid Expenses	20,000
Total	**17,60,000**	**Total**	**17,60,000**

Sales for the year amounted to ₹7,50,000 and the cost of goods sold was ₹4,50,000.

Using the above information, calculate:
a) Current Ratio, b) Liquid Ratio, c) Inventory Turnover Ratio, d) Debtors Turnover Ratio
e) Working Capital Turnover Ratio, f) Gross Profit Ratio.

18. Balaji Ltd wants to assess its liquidity, profitability, solvency, and operating efficiency before making major financial decisions. The management plans to use ratio analysis for this purpose. Identify the different types of financial ratios and analyze how each type helps in evaluating the company's financial performance and decision-making.

19. The following are summarized Balance Sheets of ABC Ltd. as of 31-03-2023 and 31-03-2024:

Liabilities	2023 (₹)	2024 (₹)	Assets	2023 (₹)	2024 (₹)
Sundry Creditors	80,000	88,000	Cash Balance	20,000	14,000
Bills Payable	50,000	-	Sundry Debtors	60,000	1,00,000
Secured Loans	80,000	1,00,000	Stock	70,000	50,000
Provision for Tax	30,000	40,000	Bills Receivable	32,000	40,000
Outstanding Expenses	10,000	6,000	Prepaid Expenses	8,000	6,000
Share Capital	2,50,000	3,06,000	Machinery	1,60,000	1,10,000
			Land & Building	1,50,000	2,20,000
Total	**5,00,000**	**5,40,000**	**Total**	**5,00,000**	**5,40,000**

Additional Information:

During the year, a machine costing ₹ 20,000 (accumulated depreciation ₹ 6,000) was sold for ₹ 10,000. The provision for depreciation against machinery as on 31.03.2023 was ₹ 50,000 and on 31.03.2024 it was ₹ 80,000. The company paid income tax of ₹ 28,000 and dividend of ₹ 25,000 during the year. Net profit for the year 2024 amounted to ₹ 90,000. Prepare a Cash Flow Statement as per AS-3 (Indirect Method).

PART-D

Answer the following. **[16X1=16]**

20. Prepare the financial statements of XYZ Ltd. for the year ending **31-03-2024** as per Schedule III of the Companies Act, 2013, from the following trial balance:

Debit Balances	₹	Credit Balances	₹
Opening Stock	50,000	Share Capital	6,00,000
Land & Building	10,00,000	Sales	12,50,000
Machinery	4,00,000	General Reserve	2,00,000
Furniture	80,000	Profit & Loss A/c	45,000
Purchases	7,20,000	Creditors	1,20,000
Wages	1,50,000	12% Debentures	5,00,000
Salaries	70,000	Bills Payable	20,000
Insurance	15,000		
Dividend Paid	30,000		
Debtors	1,00,000		
Bills Receivable	45,000		
Bad Debts	5,000		
Interest on Debentures (upto 30-09-2023)	30,000		
Cash at Bank	40,000		
Total	**27,35,000**	**Total**	**27,35,000**

Additional Information:

a) The stock as on 31-3-2024 was valued at ₹ 1,20,000.
b) Depreciate plant & machinery and furniture by 10%.
c) Maintain a reserve for doubtful debts at 5% on debtors.
d) The directors proposed a final dividend at 12%.
e) The debenture interest is unpaid for six months.

Prepare the Profit and Loss Account and Balance Sheet as on 31-03-2024.

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