

VPM's
DR VN BRIMS, Thane
Programme: PGDM (2016-18)
Second Trimester Examination January 2017

Subject	Management Accounting & Control II		
Roll No.		Marks	60 Marks
Total No. of Questions	7	Duration	3 Hours
Total No. of printed pages	2	Date	06.01.2017

Note: Q1 is compulsory and solve any FOUR from the remaining SIX questions.

Q1) 20 Marks (Compulsory)

From the following trial balance of Bharat Bhushan you are required to prepare the final accounts i.e. trading & profit & loss Account for the period ended 31st march

Particulars	Dr(Rs)	Cr(Rs)
Bharat Bhushan Capital		200000
Land & Building	87000	
Plant & M/C	17500	
Good Will	20000	
Bharat Bhushan's Drawings	22600	
Cash on Hand	1795	
Opening Stock	27000	
Wages	10000	
Purchases Less Returns	69000	
Carriage Inward	600	
Traveller's Commission & Expenses	6000	
Insurance Premium	2000	
Motor Car	3000	
Carriage Outward	1400	
Sales Less Returns		94000
Salaries	15000	
Bank Charges	105	
Reserves & Doubtful debts		1500
Debtors	20000	
Creditors		7500
Total	303000	303000

The following adjustment has to be considered:

- i. Closing stock was valued at Rs. 46000
- ii. Insurance Premium accounting to Rs.800 is prepaid
- iii. Outstanding salaries amount Rs. 1000
- iv. Depreciation of pant & M/c @10%
- v. Depreciation of motor car @ 20%
- vi. Create a reserve for doubtful debts @ 10% on Debtors

Attempt Any FOUR from the Remaining SIX Questions

Q2) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Explain the rules of debit & credit with examples
- b) What do you understand by dual aspect concept? Explain with an example
- c) Explain the concept of accrual basis of accounting.

Q3) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What do you mean by financial statement?
- b) Define ratio, what are the objectives of calculating financial ratios?
- c) What is EPS & PE? How do you calculate?

Q4) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What do you understand gross profit ratio & net profit ratio? Explain the importance of the same
- b) Explain the following terms:
 - i. Net Profit Margin
 - ii. Asset Turnover

- iii. Equity Multiplier
- c) Calculate Return on Equity using DuPont Model
Revenue = Rs. 30000, Net Profit = Rs.3000
Assets = Rs. 25000, Equity = Rs. 12000

Q5) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Following information is available from the Co's record

Particulars	Amount (Rs)
Sales	30000
Cost & Goods sold	20000
Current Assets	6000
Current Liabilities	2000
Share Capital	5000
Debentures (15%)	2500
Long Term Loan	1250

Calculate:

- i. Gross Profit Ratio
- ii. Working Capital Turnover
- iii. Debtors Equity Ratio
- b) Objectives of financial management can be discussed under two heads
 - i. Profit Maximization
 - ii. Wealth Maximization

Explain.

- c) Explain briefly the meaning & significance of the following ratios:
 - i. Current Ratio
 - ii. Debt Equity Ratio
 - iii. Interest Coverage Ratio

Q6) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) What do you understand by the term "Book Keeping"? What are its objectives?
- b) What do you understand by "Transactions"? Explain Monetary & Non-Monetary Transaction.
- c) Explain the basic Accounting terms
 - i. Journal
 - ii. Ledger
 - iii. Goods
 - iv. Capital
 - v. Expenses

Q7) Any two from (a) or (b) or (c) ————— (5x2) = 10 Marks

- a) Match the pairs(Group A & B)

Group A		Group B	
i.	Debit Side	a)	Right hand side of an account
ii.	Credit Side	b)	Left hand side of an account
iii.	Journal	c)	A person to whom we owe something
iv.	Debtor	d)	Book of original Entry
v.	Creditor	e)	A person who owe something

- b) Answer the following in one sentence
 - i. What is entry?
 - ii. What is net worth?
 - iii. What is net bank?
 - iv. What is real account?
 - v. What is reserves & surplus?
- c) Explain Personal Accounts & Impersonal Accounts.