Reg. No. \_\_\_\_\_\_\_\_\_\_\_\_\_



**End Semester Examination – Nov / Dec – 2019**

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| **Code :** | **19MS3003** | **Duration :** | **3hrs** |
| **Sub. Name :** | **ACCOUNTING FOR MANAGERS** | **Max. Marks :** | **100** |

**ANSWER ALL QUESTIONS (5 x 20 = 100 Marks)**

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| **Q. No.** | **Sub Div.** | | **Questions** | **Course**  **Outcome** | **Marks** |
| 1. |  | | **Havells India LTD.**  **Balance Sheet as at March 31, 2019**   |  |  |  | | --- | --- | --- | |  | **(Rs. In Crores)** | | | **31.03.2019** | **31.03.2018** | | Fixed Assets (PPE, Capital WIP and Intangibles) | 1,221.74 | 1,208.56 | | Non-current Investments | 161.66 | 153.10 | | Other non-current assets | 385.47 | 350.09 | | Current investments | 0.00 | 0.00 | | Other current assets | 3,191.12 | 2,377.23 | | **Total Assets** | **4,959.99** | **4,088.98** | | Equity share capital | 62.49 | 62.46 | | Other equity | 3,211.09 | 2,891..21 | | Non-current borrowings | 0.00 | 0.00 | | Other non-current liabilities | 127.41 | 94.99 | | Current Liabilities | 1,559.00 | 1,040.32 | | **Total Equity and Liabilities** | **4,959.99** | **4,088.98** |   Required:  Prepare the Common Sized Balance Sheet as on March 31, 2019 and as on March 31, 2018. | CO2 | 20 |
| **(OR)** | | | | | |
| 2. | a. | Elaborate on the Concepts and Conventions of Accounting. | | CO1 | 10 |
| b. | Describe the process followed by the Accounting Standard Board for laying down new accounting standard. | | CO1 | 10 |
|  |  |  | |  |  |
| 3. |  | Explain the three broad headings under which cash inflows and cash outflows are reported while preparing cash flow statement and draw the format of presenting the cash flow statement. | | CO3 | 20 |
| **(OR)** | | | | | |
| 4. |  | | Based upon the following balance sheets, prepare the cash flow statement for the year 2016-17:   |  |  |  | | --- | --- | --- | | **Particulars** | **2018**  **(Rs)** | **2019**  **(Rs)** | | **Assets** |  |  | | Non-current Assets |  |  | | PPE (gross block) | 4,05,000 | 7,87,500 | | Less : Provision for depreciation | 1,41,750 | 1,71,000 | | Net block | 2,63,250 | 6,16,500 | | Long Term Investments | 1,23,750 | 1,53,000 | | Current Assets |  |  | | Cash at Bank | 1,01,250 | 56,250 | | Current Investments | 56,250 | 1,57,500 | | Inventories | 3,37,500 | 4,63,500 | | Trade receivables | 1,57,500 | 72,000 | | Other current assets | 40,500 | 27,000 | | **Total** | **10,80,000** | **15,45,750** | | Equity and Liabilities |  |  | | Equity |  |  | | Share capital | 4,50,000 | 5,62,500 | | Other equity | 2,25,000 | 4,38,750 | | Non-current liabilities |  |  | | Long-term borrowings | 1,12,500 | 1,80,000 | | Current Liabilities |  |  | | Trade payables | 2,47,500 | 3,37,500 | | Other current liabilities | 45,000 | 27,000 | | **Total** | **10,80,000** | **15,45,750** | | CO3 | 20 |
|  |  | |  |  |  |
| 5. |  | | Following is the Income Statement of XYZ Ltd., for the year ended 31st March,2019:   |  |  |  | | --- | --- | --- | |  | Rs. | Rs. | | Net Sales |  | 5,00,000 | | Less: Cost of Sales |  | 3,50,000 | | **Gross Profit** |  | **1,50,000** | | Less: Administrative expenses | 55,000 |  | | Selling and Distribution expenses | 25,000 | 80,000 | | **Operating Income** |  | **70,000** | | Less: Non-operating Expenses |  | 4,000 | |  |  | **66,000** | | Add: Non-operating Income |  | 5,500 | | **Net Income** |  | **71,500** |   Compute:   1. Gross Profit ratio; 2. Operating ratio and its supporting ratios; 3. Operating Profit ratio; 4. d) Net Profit ratio. | CO2 | 20 |
| **(OR)** | | | | | |
| 6. |  | | Two firms A Ltd. and B Ltd. sell the same type of production in the same market. Their budgeted profit and loss statement for the year 2019 are as follows:   |  |  |  | | --- | --- | --- | | **Particulars** | **A Ltd.**  **(Rs.)** | **B Ltd.**  **(Rs.)** | | Sales | 1,50,000 | 1,50,000 | | Variable cost | 1,20,000 | 1,00,000 | | Fixed cost | 15,000 | 35,000 | | **Total cost** | **1,35,000** | **1,35,000** | | **Budgeted Net Profit** | **15,000** | **15,000** |   You are required to :  i) Calculate the break-even point of each firm.  ii) Calculate the sales volume at which each of the firms will  earn Rs. 5,000 ad Rs. 8,000 profit. | CO6 | 20 |
|  |  | |  |  |  |
| 7. |  | | The cost of an article at the capacity level of 5,000 units is given under A below. For a variation of 25 per cent in capacity above or beow this level, the individual expenses vary as indicated under B below:   |  |  |  | | --- | --- | --- | | **Particulars** | **A** | **B (per cent)** | | Material cost | Rs. 2,50,000 | 100 (variable) | | Labour cost | 1,50,000 | 100 (variable) | | Power | 12,500 | 80 (semi-variable) | | Repairs and Maintenance | 20,000 | 75 (semi-variable) | | Stores | 10,000 | 100 (variable) | | Inspection | 5,000 | 20 (semi-variable) | | Administration overheads | 50,000 | 25 (semi-variable) | | Selling overheads | 30,000 | 50 (semi-variable) | | Depreciation | 1,00,000 | 100 (fixed) | | **Total** | **6,27,500** |  | | Cost per unit | 125.50 |  |   Prepare the production cost budget at 4,000 units and 6,000 units. | CO6 | 20 |
| **(OR)** | | | | | |
| 8. | a. | | Explain the cost concepts relating to Profit Planning. | CO4 | 10 |
| b. | | Elaborate on the different types of variance calculated in Standard costing. | CO5 | 10 |
|  | | | **Compulsory**: |  |  |
| 9. |  | | **Trial Balance of IPL Finance Ltd as on 31st March, 2019.**   |  |  |  |  | | --- | --- | --- | --- | | **Sl. No.** | **Account Heads** | **Amount (Rs.)** | | | **Debit** | **Credit** | | 1. | Share Capital |  | 4,00,00,000 | | 2. | Share Premium |  | 1,00,00,000 | | 3. | Investments : Equity shares of NDFC Ltd | 49,75,000 |  | | 4. | Cash at bank in current account | 18,550 |  | | 5. | Fixed deposits with banks | 10,55,367 |  | | 6. | Cash in hand | 1,256 |  | | 7. | Tax deducted at source | 37,420 |  | | 8. | Expenses payable |  | 21,050 | | 9. | Preliminary Expenses | 32,840 |  | | 10. | Balance in P&L Account | 4,28,23,210 |  | | 11. | Loss on sale of investments | 11,25,775 |  | | 12. | Interest on Fixed Deposits with banks |  | 54,278 | | 13. | Bank charges | 110 |  | | 14. | Legal and Professional charges | 4,600 |  | | 15. | Stationary | 1,200 |  | |  | **Total** | **5,00,75,328** | **5,00,75,328** |   **Further Information:**   1. Authorised share capital of the company is 50,00,000 equity shares of Rs. 10 each. 2. 20,00,000 shares were issued at a premium of Rs. 5 each. 3. Interest accrued on fixed deposits with banks for the year Rs. 364. 4. Audit fee for the year payable Rs. 5000. 5. Other Expenses payable for the year:  * Legal and professional charges Rs.4,400 * Travelling and conveyance expenses Rs. 2,250  1. Preliminary expenses to be written off Rs. 16,420   Required toPrepare the following financial statements of ITPL Finance Limited:   1. Balance sheet as on 31st March 2019 2. Profit and Loss account for the year ended 31st March 2019 3. Profit and Loss appropriation account for the year ended   31st March 2019. | CO2 | 20 |