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**GIET UNIVERSITY, GUNUPUR – 765022**  
M. B. A(First Semester) Examinations, April – 2021  
**MB 102 – Accounting for Managers**

Time: 2 hrs

Maximum: 50 Marks

(The figures in the right hand margin indicate marks.)

**PART – A****(2 x 10 = 20 Marks)**Q.1. Answer **ALL** questions

- Define Accounting.
- What do you mean by accounting concept?
- What is accounting cycle?
- What is the meaning of double entry system?
- Define Trial Balance.
- What are the direct and indirect expenses?
- What do you mean by working capital?
- What is buy back of shares?
- What is common size statement?
- What is meant by liquidity?

**PART – B****(6 x 5 = 30 Marks)**Answer **ANY FIVE** the questions

2. What is the role of accounting in a modern business organization?

3. **Prepare Trial Balance from the following**

Capital	9,000
Plant and Machinery	12,000
Purchases	8,000
Sales	12,000
Creditors	8,000
Bank loan	22,000
Rent outstanding	1,000
Opening stock	2,000
Sales returns	4,000
Investments	14,000
Debtors	12,000

4. What are the uses and importance of financial statement?

5. Following is the Profit and Loss Account of a company for the year ending 31-12 -2018

	Rs.		Rs.
To Opening stock	1,00,000	By Sales	5,60,000
To Purchases	3,50,000	By Closing Stock	1,00,000
To Wages	9,000		
To Gross profit c/d	2,01,000		
	<b>6,60,000</b>		<b>6,60,000</b>
To Administrative expenses	20,000	By Gross profit	2,01,000
To Selling expenses	89,000	By Interest on investments	10,000
To Non-operating expenses	30,000	By Profit on sale of investments	8,000
To Net Profit	80,000		
	<b>2,19,000</b>		<b>2,19,000</b>

**Calculate:**

- (a) Gross profit ratio
  - (b) Net profit ratio
  - (c) Operating ratio
  - (d) Operating profit ratio
  - (e) Administrative expenses Ratio
6. Describe the advantages of Trend analysis.
7. From the following Profit and Loss account of ABC Co. Ltd. Prepare the common size profit and Loss account.

Particulars	Rs	Particulars	Rs
To Material Cost	6,00,000	By Sales	18,50,000
To Conversion cost	5,00,000		
To Administrative and Distribution expenses	4,50,000		
To Net Profit c/d	3,00,000		
Total	18,50,000	Total	18,50,000

8. State the significance of accounting ratios in the analysis of financial statements.
9. From the following balance sheets, prepare a cash flow statement:

Liabilities	2018	2019	Assets	2018	2019
Share capital	2,00,000	2,50,000	Land	50,000	66,000
P & L Account	10,000	23,000	Stock	80,000	90,000
Creditors	70,000	45,000	Debtors	1,20,000	1,15,000
			Cash	30,000	47,000
Total	2,80,000	3,18,000	Total	2,80,000	3,18,000

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