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MBAH 402

First Semester M.B.A. Examination, January 2019  
**BUSINESS ADMINISTRATION**  
**Accounting for Managers**

Time : 3 Hours

Sri Dharmasthala Manjunatheshwara  
College of Business Management, Mangalore  
Post Graduate Centre for Management  
Studies and Research Library

Max. Marks : 70

SECTION – A

(2×10 = 20)

**Note :** Answer **any two** questions. **Each** question carries **10** marks.  
Answer to the question should **not** exceed **five** pages each.

1. What do you mean by GAAPs ? Briefly explain the structure of GAAPs.
2. Critically examine the implications of IFRS in the present accounting scenario.
3. Briefly explain various factors affecting the dividend decisions.

SECTION – B

(3×12 = 36)

**Note :** Answer **any two** questions. **Each** question carries **12** marks.  
Answer to the question should **not** exceed **six** pages each.

4. Journalise the following transactions in the books of Mr. Manav and post them to ledger.

2010 April

- 02 Mohan commenced a business with cash Rs. 10,000
- 04 Took loan from bank Rs. 5,000
- 07 Purchased goods from Jitendra for Rs. 7,000 and from Anudeep Rs. 5,000
- 11 Sold goods to Jeevan for cash Rs. 4,000 and on credit Rs. 3,000



- 12 Paid Anudeep on account by cheque Rs. 5,000
- 18 Commission due to Sundar Rs. 115
- 21 Drew for office use Rs. 860
- 22 Purchased a motor car in exchange for goods Rs. 2,000 and cheque Rs. 3,000
- 30 Jeevan is declared insolvent and a dividend of 50 paise is in the rupee is received in full settlement

5. Enter the following transactions in a Cash Book with three columns, Cash, Bank and Discount for the month of March, 2012

March, 2012

- 1 Cash in hand Rs. 400 and Bank Overdraft Rs. 600
- 2 Brought additional capital in cash Rs. 20,000
- 3 Deposited into Bank Rs. 10,000
- 5 Goods sold for cash Rs. 20,000 and allowed Cash Discount of Rs. 200
- 7 Commission paid to agent Rs. 1,000
- 9 Cash Sales of Goods Rs. 2,000
- 10 Goods sold to Radha on Credit Rs. 30,000
- 14 Purchased goods from Sarika for Rs. 30,000 less 2% discount and paid the amount by cheque.
- 17 Transferred Rs. 10,000 from Private Bank A/c to Business Bank A/c.
- 19 Received cheque from Radha Rs. 29,400 and allowed her discount of Rs. 600
- 21 Goods insured against fire for Rs. 1,00,000 and paid Insurance Premium at 4% by cheque.
- 23 Purchased 5% Govt. Bonds of Rs. 2,000 at 95% and paid amount by cheque
- 25 Paid Rent Rs. 1,000 by cheque
- 27 Furniture purchased on credit from Ganesh Traders Rs. 14,000
- 29 Goods sold for cash Rs. 40,000 and allowed cash discount at 1%.
- 30 Paid salary Rs. 4,000 by cheque



6. "Anticipate no profits but provide for all possible losses." Elucidate the statement.
7. Pentacol Co. purchased machinery on 1<sup>st</sup> April, 2008 for Rs. 8,40,000 and Rs. 60,000 on installation of the machinery immediately. Life of the machine is estimated as four years and at the end of which its scrap value is expected to be Rs. 1,00,000. The company has decided to depreciate the machinery under straight Line Method. The company closes its books of accounts on 31<sup>st</sup> March every year.
- Show Machinery A/c for the four years.
8. Explain the scope and objectives of financial management.

SECTION – C  
(Compulsory)

(1×14 = 14)

**Note :** Answer to the question should **not** exceed **six** pages.

9. From the following Trial Balance of Ganesh Traders prepare Trading and Profit and Loss A/c for the year ended 31-3-2012 and the Balance Sheet as on that date :

Debit Balance	Rs.	Credit Balance	Rs.
Purchases	1,96,000	Sales	4,24,000
Wages	42,000	Capital	2,20,000
Stock on 1-4-2011	50,000	Creditors	70,000
Printing	34,000	Returns	4,600



**MBAH 402**

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Insurance paid  
(upto 30-9-2012)

4,400

Loan

36,000

Salaries

64,000

Rent received

6,400

Carriage Inward

20,000

Stationery

28,000

Advertising

24,000

Building

70,000

Machinery

1,20,000

Debtors

60,000

Returns

4,000

Cash in hand

4,600

Patents

40,000

**7,61,000****7,61,000****Adjustments :**

- 1) Closing stocks valued at Rs. 52,000.
- 2) Outstanding expenses are : Wages Rs. 3,600, Salaries Rs. 7,600 and Printing Bill Rs. 2,400.
- 3) Depreciate Machinery at 10% p.a. Patents are to be revalued on 31-3-2012 at Rs. 36,400.