Dr. Babasaheb Ambedkar Open University
Term end Examination July - 2016

Course	**: APGDBA**		
Subject Code	**: APGDBA - 102**	**Max. Marks**	**: 70**
Subject Name	**: Accounting for Managers**	**Duration**	**: 03 hours**
Date	**:**	**Time**	**:**

SAMPLE QUESTION PAPER

Section A

Answer the following (any three) (30)

1. **With the help of the following ratios regarding Indu firm draw the balance sheet of the company for the year 1995.**

Current ratio	2.5
Liquidity ratio	1.5
Net working capital	Rs. 300000
Stock turnover ratio (COS/closing stock)	6 times
GP ratio	GP ratio
Fixed assets turnover ratio(on cost of sales)	2 times
Debt collection period	2 months
Fixed assets to shareholders net worth	0.80
Reserve and surplus to capital	0.5

2. **From the following particulars, prepare a bank reconciliation statement showing the balance as per cash book on 31st march 2014.**

No	Particular	Amt.(Rs)
1.	Balance as per pass book	8000
2	Cheques deposited but not credited by the bank	1000
3	Cheques issued but not presented for payment :	500
4	Cheques deposited in to bank without recording in cash book	600
5	Cheques issued to creditors but not recorded in cash book	700
6	Dividend collected y bank not recorded in cash book	100
7	Debtors directly deposited in to bank not recorded in cash book	2000
8	Debit side of the cash book was under cast by	1000

9	Bank charges debited in pass book not recorded in cash book	50
10	Bank met a bill payable for Rs. 1000 on 30 march under advice to the firm on 2 April	
11	A bill for Rs. 2000 discounted for Rs. 1900 returned dishonored by bank noting charges being	10
12	A bill for Rs. 1000 discounted with the bank is entered in the cash book without recording the discount charges	100

3. **Rearrange the following in the form of a company balance sheet as per schedule VI part I of the companies act 1956**.

Particular	Amount in Rs.
Prepaid rent	1000
Underwriting commission	1500
Stores and spares	6000
Patents	2000
Bills payable	30000
Unclaimed dividend	12000
Accounts receivable	11000
Share in TCS Ltd	20000
Deposits with UTI Bank	50000
Share Premium	75000

4. X. Ltd commenced business on 1st Jan. 1998. On the same date a plant costing Rs. 350000 was purchased. Depreciation was charged @15% on diminishing balances basis and charging full years depreciation on addition. Over the years following additions were made
   On 1-8-1999 Rs. 75000
   On 30-9-2002 Rs. 100000
   On 1-1-2002 it was decided to change the method and rate of depreciation to 10% on straight line basis with retrospective effect from 1-1—1998. The adjustment being made in the account for the year ending 31st Dec. 2002.
   Prepare plant account for the year 2002 only.

5. Difference between capital expenses, revenue expenses and deferred revenue expenses.

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Section B
Answer the following (any four) **(20)**

1. explain in detail turnover ratios
2. What do you mean by bank reconciliation statement? Why it is required?
3. **Pass journal entry and give effect in profit and loss account and in the balance sheet**

Trial balance

Sundry debtors Rs. 40600

Provision for bad debts Rs. 1500

Additional information: bad debts Rs. 600 after preparation of Trial balance

Create provision for bad debts @ 5% on sundry debtors

4. **Calculate stock turnover ratio:**

Trading Account

Particular	Rs.	particular	Rs.
Opening stock	40000	Sales	200000
Purchase	100000	Closing stock	20000
Carriage	10000		
GP	70000		
	220000		220000

5. Dhreeti purchased machinery by cheque for Rs. 90000 on 1st Jan. 2002. It's probable working life was estimated at 10 years and its probable scrap value at the end of the time as Rs. 10000. It was decided to write off depreciation by equal annual instilments.
   Pass journal entry for the first two years and show effect of depreciation in balance sheet.
   1. **When no provision of depreciation is maintained**
   2. **When provision of depreciation is maintained.**

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6. **State with reason the nature of following items:**
   a. Brokerage and stamp duty for purchase of shares :
   b. Wages Rs. 5000 for new plants installment
   c. Purchase of tyre of old van Rs. 2000
   d. Cost of repairing factory building
   e. Confiscation of imported goods worth Rs. 50000 for non disclosure of material facts.

Section C

MCQ (2x5) (10)

1. **Which is/are the methods of preparing Trial balance?**
   A. Total method
   B. Balance method
   C. Compound method
   D. Above all methods
   E. None of the above
2. **Timing- transactions and errors are the main reason for causes of difference in bank reconciliation statement. State this statement is**
   A. True
   B. False
3. **Accounting Standard 6 is meant for**

A. accounting for Fixed Assets
B. Accounting for treatment of Goodwill
C. Depreciation Accounting
D. Disclosure of Accounting policies

4. **Fixed assets turnover ratio**

A. Sales / fixed assets
B. Sales / capital employed- preference capital
C. Sales- operating expenses / fixed assets

5. **The current ratio of a company is 2:1. Which of the following suggestions would improve the ratio, which would reduce it and which would not change it?**
   A. To pay a current liability

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B. to borrow money on an interest bearing promissory note

C. Do as Directed (2x5) (10)

1. Distinguish between ledger and journal
2. Write note on need for bank reconciliation statement.
3. What is meant by Mashalling of assets and liabilities?
4. Discuss the features of AS-6
5. State limitation of financial ratio

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