

Code No: **24BA1T3**

**I MBA - I Semester - Regular Examinations  
DECEMBER 2024**

**ACCOUNTING FOR MANAGERS**

Duration: 3 Hours

Max. Marks: 70

- Note: 1. This question paper contains two Parts: Part-A and Part-B.  
 2. Part-A contains 5 essay questions with an internal choice from each unit.  
 Each Question carries 12 marks.  
 3. Part-B contains one Case Study for 10 Marks.  
 4. All parts of Question paper must be answered in one place

BL – Blooms Level

CO – Course Outcome

**PART - A**

			BL	CO	Max. Marks
<b><u>UNIT – I</u></b>					
1.	a)	Explain how the use of a Single-Entry System can affect the financial decision-making of a business owner.	L2	CO1	6 M
	b)	Discuss the usefulness of the Double Entry System for small businesses with limited transactions. Is it necessary, or can the Single-Entry System be sufficient.	L2	CO1	6 M
<b>OR</b>					
2.	a)	Identify the changes to financial reporting standards that could improve the clarity and usefulness of financial statements.	L2	CO1	6 M
	b)	Express the relevance of historical cost accounting versus fair value accounting.	L2	CO1	6 M

**UNIT – II**

3.	a)	Prepare a Cash Flow Statement using the direct method with the following data: Cash received from customers Rs 60,000, Cash paid to suppliers Rs 40,000, and Cash paid for operating expenses Rs 10,000.	L2	CO2	6 M
	b)	ABC Ltd. provides the following financial information for the year ended December 31, 2024. You are required to prepare the Profit and Loss Account (Income Statement) in accordance with International Financial Reporting Standards (IFRS). Given Data: Revenue from Sales: Rs 8,00,000 Cost of Goods Sold (COGS): Rs 4,00,000 <b>Operating Expenses:</b> Salaries: Rs 1,00,000 Rent: Rs 50,000 Utilities: Rs 20,000 Depreciation: Rs 30,000 Other Income: Rs 10,000 Interest Expense: Rs 15,000 Tax Rate: 30%	L2	CO2	6 M
OR					
4.	a)	Discuss the Funds Flow Statement highlights long-term changes in working capital.	L2	CO2	6 M

	b)	Demonstrate a financial plan for a company to improve cash flow based on analysis of past Cash Flow Statements.	L2	CO2	6 M
--	----	---	----	-----	-----

**UNIT-III**

5.	a)	Illustrate various financial analysis technique would you prioritize in assessing the financial stability of a startup versus a mature business? Justify your answer.	L3	CO3	6 M
	b)	Interpret the possible reasons if a company have high profitability but low liquidity.	L3	CO3	6 M

OR

6.	a)	<p>ABC Ltd. provides the following Income Statement data for the years 2023 and 2024. You are required to prepare a Common-Size Income Statement for both years and analyse the results.</p> <p><b>Given Data:</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">2023 (Rs)</th> <th style="text-align: center;">2024 (Rs)</th> </tr> </thead> <tbody> <tr> <td>Revenue (Sales)</td> <td style="text-align: right;">10,00,000</td> <td style="text-align: right;">12,00,000</td> </tr> <tr> <td>Cost of Goods Sold (COGS)</td> <td style="text-align: right;">6,00,000</td> <td style="text-align: right;">7,00,000</td> </tr> <tr> <td>Salaries</td> <td style="text-align: right;">1,00,000</td> <td style="text-align: right;">1,20,000</td> </tr> <tr> <td>Rent</td> <td style="text-align: right;">50,000</td> <td style="text-align: right;">60,000</td> </tr> <tr> <td>Utilities</td> <td style="text-align: right;">20,000</td> <td style="text-align: right;">25,000</td> </tr> <tr> <td>Depreciation</td> <td style="text-align: right;">30,000</td> <td style="text-align: right;">35,000</td> </tr> <tr> <td>Interest Expense</td> <td style="text-align: right;">10,000</td> <td style="text-align: right;">15,000</td> </tr> <tr> <td>Other Incomes</td> <td style="text-align: right;">5,000</td> <td style="text-align: right;">8,000</td> </tr> <tr> <td>Tax Rate</td> <td style="text-align: right;">30%</td> <td style="text-align: right;">30%</td> </tr> </tbody> </table>	Particulars	2023 (Rs)	2024 (Rs)	Revenue (Sales)	10,00,000	12,00,000	Cost of Goods Sold (COGS)	6,00,000	7,00,000	Salaries	1,00,000	1,20,000	Rent	50,000	60,000	Utilities	20,000	25,000	Depreciation	30,000	35,000	Interest Expense	10,000	15,000	Other Incomes	5,000	8,000	Tax Rate	30%	30%	L3	CO3	6 M
Particulars	2023 (Rs)	2024 (Rs)																																	
Revenue (Sales)	10,00,000	12,00,000																																	
Cost of Goods Sold (COGS)	6,00,000	7,00,000																																	
Salaries	1,00,000	1,20,000																																	
Rent	50,000	60,000																																	
Utilities	20,000	25,000																																	
Depreciation	30,000	35,000																																	
Interest Expense	10,000	15,000																																	
Other Incomes	5,000	8,000																																	
Tax Rate	30%	30%																																	

b) XYZ Ltd. provides the following balance sheet data for the years 2023 and 2024. You are required to prepare a Common-Size Balance Sheet for both years and analyse the results.

Given Data:

**Balance Sheet of XYZ Ltd.**

Particulars	2023 (Rs)	2024 (Rs)
<b>Assets</b>		
Cash	1,00,000	1,50,000
Accounts Receivable	2,00,000	2,20,000
Inventory	3,00,000	3,30,000
Property, Plant & Equipment (PPE)	4,00,000	4,50,000
<b>Total Assets</b>	<b>10,00,000</b>	<b>11,50,000</b>
<b>Liabilities and Equity</b>		
Accounts Payable	1,50,000	1,70,000
Long-Term Debt	3,00,000	3,50,000
Shareholders' Equity	5,50,000	6,30,000
<b>Total Liabilities and Equity</b>	<b>10,00,000</b>	<b>11,50,000</b>

L3

CO3

6 M

**UNIT – IV**

7. a) Analyze Profit Planning in a service-based company versus a product-based company. How are the approaches different?

L4

CO4

6 M

	b)	Explain how effective Profit Planning is in aligning the company's goals with its financial performance.	L4	CO4	6 M
<b>OR</b>					
8.	a)	Illustrate how the Marginal Costing approach influences pricing and production decisions in a competitive industry.	L3	CO4	6 M
	b)	Explain a strategy to improve a company's income by leveraging Marginal Costing techniques, focusing on cost control and contribution margin.	L4	CO4	6 M
<b><u>UNIT – V</u></b>					
9.	a)	Analyze how budget variances (difference between actual and budgeted figures) impact an organization's financial performance.	L4	CO5	6 M
	b)	Analyze the effectiveness of budgetary control in a dynamic business environment. Is it still relevant? Why or why not?	L4	CO5	6 M
<b>OR</b>					
10.	a)	Explain the potential risks of over-reliance on Budgetary Control in long-term strategic planning.	L2	CO5	6 M
	b)	Illustrate a comprehensive Budgetary Control system for a medium-sized company to monitor and control expenses, ensuring alignment with strategic goals.	L3	CO5	6 M

## PART – B

	<b>CASE STUDY</b>	BL	CO	Max. Marks
11.	<p><b>Budgeting for “HELP” Non-profit Organization</b></p> <p>“Help” Non-profit Organization, dedicated to environmental conservation, faced significant funding challenges in the upcoming fiscal year due to reduced grant allocations and increased operational costs. To navigate this uncertainty, the Board of Directors decided to implement a comprehensive budgeting process aimed at aligning their financial resources with their strategic goals. The finance team developed a Zero-Based Budgeting approach, requiring each department to justify its budget requests from scratch rather than relying on historical expenditures. This method helped identify areas for cost savings, prioritize essential programs, and allocate funds more effectively to high-impact projects, such as community outreach and conservation initiatives.</p> <p>Throughout the budgeting process, the finance team engaged department heads in discussions to understand their needs and the potential impact of budget cuts on ongoing projects. The resulting budget reflected a more strategic allocation of resources, allowing “Help” Non-profit to continue its core mission while adapting to financial constraints. To monitor performance, the organization established a budgetary control system that included regular variance analysis to compare actual expenditures against the budget. This</p>	L3	CO5	10 M

	<p>proactive approach enabled “Help” Non-profit to remain financially resilient and focus on delivering its conservation programs despite external challenges.</p> <hr/> <p>Questions:</p> <ol style="list-style-type: none"><li>i. What budgeting method did “Help” Non-profit Organization adopt, and what were its primary advantages in addressing the funding challenges?</li><li>ii. How did engaging department heads in the budgeting process contribute to the overall effectiveness of the budget developed by the organization?</li><li>iii. What role does variance analysis play in the budgetary control system established by “Help” Non-profit, and how can it benefit the organization?</li></ol>			
--	--	--	--	--