



# GL BAJAJ

Institute of Management & Research

Approved by A.I.C.T.E., Ministry of HRD, Govt. of India

Roll No.....

Plot No. 2, Knowledge Park-III, Greater Noida (U.P.)–201306

**POST GRADUATE DIPLOMA IN MANAGEMENT (2018-20)  
MID TERM EXAMINATIONS (TERM - I)**

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Subject Name: **Accounting for Managers**  
Subject Code: **PG-03**

Time: **01.30 hrs**  
Max Marks: **20**

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**Note:**

1. Writing anything except Roll Number on question paper will be deemed as an act of indulging in unfair means and action shall be taken as per rules.
2. All questions are compulsory in Section A, B & C. Section A carries a Case Study with 2 questions of 4 marks each. Section B carries 3 questions of 2 marks each and Section C carries 2 questions of 3 marks each.

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**SECTION – A**

**04+04 = 08 Marks**

**Question 1:** A Ltd. purchased a machine on 1st April, 2013 for Rs. 37,000 and spent Rs. 3,000 on its installation. The expected life of machine is 8 years. It was decided to charge depreciation at the rate of 10% on the written down value of machine. On June 30, 2017, the machine was sold for Rs. 20,000. Accounts of firm are closed on December 31 every year.

- (i) Pass necessary journal entries in the books of A Ltd for the period 2013- 2017.
- (ii) Prepare Machine account in the books of A Ltd for the period 2013- 2017

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**SECTION – B**

**02×03 = 06 Marks**

**Question 2:** Give four examples of business decisions which a manager can take based on accounting information.

**Question 3:** What are the important factors which can affect the decision of business form selection (Sole proprietorship, Partnership, Company etc.)?

**Question 4:** Classify following accounts into Revenue, Expenses, Current Assets, Non Current Assets, Capital, Non-current Liabilities and Current liabilities A/c?

- A. Accrued Interest A/c
- B. Salary Account
- C. Outstanding Wages
- D. Capital Account
- E. Brokerage Account
- F. Commission Received
- G. Long Term Investment
- H. Trade Creditors



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## SECTION – C

03×02 = 06 Marks

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**Question 5:** What is Accounting Equation? Show the effect of following transactions on Accounting Equation:

- Started business with cash Rs. 70000.
- Purchase goods on credit from Ram Rs. 20000
- Sold goods on credit to Salman of worth Rs. 50,000
- Purchase furniture of the value of Rs. 5,000 for cash

**Question 6:** Why it is important to charge depreciation on fixed assets? Calculate the amount of depreciation in following case:

A plant costing Rs.11000 was purchased on April 1, 2010. The scrap value was estimated to be 1000 million. The expected production was 120,000 units for lifetime of plant. The plant was used to produce 15000 units till the year ended December 31, 2010. Calculate the depreciation on the plant for the year ended December 31, 2010.