



**G.L. BAJAJ INSTITUTE OF MANAGEMENT AND RESEARCH**

**Mid Term Examination- August 2017**

**ACCOUNTING FOR MANAGER- (Code: PG03)**

**TERM: I, BATCH: 2017-19**

**PGDM**

**Time: 90 mins.**

**Max.Marks:20**

**Answer ALL the Questions**

**PART - A**

1. Read the case and answer the questions below: (4+4= 8)

Venu's Music Corner provides music services. A CA firm maintained its accounting records. On April 1 2009 the record showed a balance of Rs. 21740 in the capital account. Venugopal, the owner of business felt that the accountant fees were too high and decided to maintain the firm's accounting record himself. He prepared the following statements at the end of the March 31, 2010. He is horrified that the business has performed very badly, and wants you to review the statements.

**Venus Music Corners**

Profit and Loss Account(For the Year Ended March 31, 2010)

Particulars	Amount
<b>(I) Revenue</b>	
Investment by owner	3000
<b>Total Revenue</b>	<b>3000</b>
<b>(II) Expenses</b>	
Salaries Expenses	5600
Electricity Expenses	410
Advertisement Expenses	130
Rent Expenses	300
Drawing	4000
<b>Total Expenses</b>	<b>10440</b>
<b>NET LOSS</b>	<b>7440</b>

**Balance Sheet as on March 31, 2010**

<b>(I) Equities &amp; Liabilities</b>	
<b>Equity</b>	
Vanugopal's Capital	14300
<b>Liabilities</b>	
Creditors	2510
Revenue from services	12660
<b>Total Liabilities</b>	<b>15170</b>
<b>Total Liabilities and Equity</b>	<b>29470</b>
<b>Assets</b>	
Cash	570
Debtors	1210
Supplies	2190
Equipments	25500
<b>Total Assets</b>	<b>29470</b>

	<b>Questions</b> a) You are required to prepare revised Balance Sheet of Venus Music Corners b) You are required to prepare revised Profit & Loss A/C of Venus Music Corners	
<b>PART- B</b>		
2.	Ram purchases a machine for Rs. 37000 and spent Rs. 3000 on installation on 1 January 2,000. Its estimated useful life is 5 years and scarp Values Rs. 2500. It is decided to write off depreciation under straight lien method. Pass necessary journal entries for first two years only. The accounting period ends on 31 March every years	<b>(2)</b>
3.	What do you mean by Accounting Standards?	<b>(2)</b>
4.	What is Accounting Equation? Show the effect of following transactions on Accounting Equation: <ul style="list-style-type: none"> <li>• Started business with cash Rs. 70000.</li> <li>• Purchase goods on credit from Ram Rs. 20000</li> </ul>	<b>(2)</b>
<b>PART-C</b>		
5.	Why is it necessary to calculate depreciation? Discuss any two methods of charging depreciation.	<b>(3)</b>
6.	What do you mean by Accounting Information System? What are the various interested parties which use accounting information?	<b>(3)</b>