

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

**POST GRADUATE DIPLOMA IN MANAGEMENT (2023-24)
END TERM EXAMINATION (TERM -I)**

Subject Name: **Accounting for Managers**

Time: **02.00 hrs**

Sub. Code: **PG13**

Max Marks: **40**

Note:

All questions are compulsory. Section A carries 5 marks: 5 questions of 1 mark each, Section B carries 21 marks having 3 questions (with internal choice question in each) of 7 marks each and Section C carries 14 marks one Case Study having 2 questions of 7 marks each.

Kindly write the all the course outcomes as per your TLEP in the box given below:

CO1- Students will be able to read and analyze the major financial statements - Income Statement, Balance Sheet, Cash Flow to communicate economic aspects of business
CO2 - Students will be able to interpret financial reporting specific items for each statement to enable database decision making
CO3- Students will be able to analyze Financial Health of a business to solve business problems with digital tools
CO4 - Students will be able to suggest and report Strategic Cost Management for improvement in organizational performance

SECTION - A

Attempt all questions. All questions are compulsory.

1×5 = 5 Marks

Questions	CO	Bloom's Level
Q. 1: (A). Variable cost of XYZ is 80 percent of the selling price. If the fixed expenses are Rs.10000, calculate the breakeven sales of the company.	CO 1	L2,L3,L 4
Q. 1: (B). Discuss 3 step Du Pont analysis in short.		
Q. 1: (C). Concept of Accrual System is mother of adjustment entries. Comment on the statement.		
Q. 1: (D). What are the adjustments in calculating cash from operating activities?		
Q. 1: (E). Differentiate WIP and capital WIP		

SECTION – B

All questions are compulsory (Each question have an internal choice. Attempt any one (either A or B) from the internal choice)

7 x 3 = 21 Marks

Questions	CO	Bloom's Level
Q. 2: (A). Statement of cash flows of Maruti Suzuki Limited and Tata Motors Limited are summarized below	CO 2	L3, L4
(Amount in INR Crores)		
Particulars	Maruti	Tata Motors
A. CASH FLOW FROM OPERATING ACTIVITIES		
Profit before tax	7,065	(7,128)
Adjustments for non-cash and non-operating items	342	7,567
Operating cash flows before working capital changes	7,407	439
(increase)/decrease in inventories	111	730
(increase)/decrease in trade receivables	189	1,168

Increase/ (decrease) in trade payables	(2,155)	(2,689)	CO 3	L4, L5
Changes in other items of working capital	(711)	(1,010)		
Cash generated from operating activities	4,841	(1,362)		
Income tax paid (net)	(1,436)	(93)		
Net cash flow from operating activities	3,405	(1,455)		
B. CASH FLOW FROM INVESTING ACTIVITIES				
Purchase of PP&E and capital WIP	(3,194)	(2,749)		
Purchase of intangible assets	(242)	(1,920)		
Other cash flows from investing activities	2,972	(50)		
Net cash flows from investing activities	(464)	(4,719)		
C. CASH FLOW FROM FINANCING ACTIVITIES				
Issue of equity shares	--	3,889		
Dividend paid on equity shares	(2,417)	(4)		
Net borrowings	(52)	5,942		
Finance cost paid	(134)	(2,270)		
Other cash flows from financing activities	(497)	2,192		
Net cash flow from financing activities	(3,100)	7,749		
Net increase/(decrease) in cash and cash equivalents	(159)	1,57		

Compare the cash flow performance of Maruti Limited and Tata Motors Limited.

Or

Q. 2: (B).

Arijit Singh recently purchased a Bolbo car and fell in love with it-to the extent that he renamed himself as Bolbo Arijit Singh. Yet, he stuck to his business plan of releasing albums. He estimated the yearly cost in producing his next album to be INR 1 crore. Sales were estimated to be INR 2 crores. On the close of the year, he got a report stating cost was INR 1.5 crores and sales was INR 2.25 crores. He was happy as album sales had exceeded the targets and awarded bonus for the staffs. For the second year, he created two new albums. The second years report stated the costs to be INR 3 crores and sales as INR 4.5 crores. Like always, he is happy to award incentives to feels that profit margin has been maintained consecutively.

Required:

- Suggest, if any, measures to Arijit's business for further improvement along with reasons.
- What other factors, do you think are essential while doing business analysis and awarding incentive

Q. 3: (A). Classify the following items into current assets, fixed assets, proprietary funds and current liabilities and prepare a balance sheet for Delhi da Dhaba company as on March 31,2021

Item	Amount (Rs.)	Item	Amount (Rs.)
Land	1,50,000	Electricity payable	2,000
Building	2,00,000	Sundry Debtors	40,000
Plant & Machinery	50,000	Bill Payable	60,000
Closing Stock:		Insurance Charges	1,00,000
Raw Material	15,000	Marketable Securities	60,000

Work In Progress	10,000	Cash In Hand	1,25,000
Finished Goods	25,000	Cash at bank	35,000
Salary Payable	13,000	Profit for the Year	30,000
Wage Payable	15,000	Sundry Creditors	10,000

Additional information:

- Provide for depreciation on Plant and Machinery at the rate of 15% per annum.
- Sundry debtors include Rs. 500 for goods supplied to a customer, who has become insolvent.
- Rs. 50,000 as Insurance charges are prepaid

Or

Q. 3: (B).

Shiraz Daneshyar was working for the TV Today Network, one of India's leading news television net-works along with Network 18 and NDTV. Its news channels included Aaj Tak (Hindi), Headlines Today (English), Tez (Hindi), and Business Today (English). Please help Shiraz in completing the balance sheet of T.V. Today Network by filling the following items with figures at the appropriate blanks below: Capital Work-in-Progress 41; Cash and Bank Balances 2901; Intangible Assets 838; Long-Term Loans and Advances 302; Long-Term Provisions 81; Non-Current Investments 654; Other Current Liabilities 713; Other Long-Term Liabilities 8; Reserves and Surplus 8,065; Share Capital 298; Short-Term Borrowings 0; Short-Term Loans and Advances 1021; Short-Term provisions 89; Tangible Assets 1581; Trade Payable 724; and Trade Receivables 1,742.

Using the data complete the balance sheet.

T.V. Today Network Limited		
Balance sheet as on March 31, 2019		
Particulars	Amount (in Rs. Million)	Amount (in Rs. Million)
EQUITY AND LIABILITIES		
Shareholder's Funds		
Share capital	?	
Reserves and surplus	?	
Sub-Total		8363
Non-current liabilities		
Other long term liabilities	?	
Long term provisions	?	
Sub-Total		89
Current Liabilities		
Short term borrowings	?	
Short term provisions	?	
Trade payable	?	
Other current liabilities	?	
Sub-Total		1526
Total		9978
ASSETS		
Non-current assets		
Intangible assets	?	
Tangible assets	?	
Non-current investments	?	

CO
3

L4, L5

Long term loans and advances	?	
Deferred Tax assets (Net)		172
Capital work in progress	?	
Sub-Total		3588
Current Assets		
Cash and Bank balances	?	
Trade receivables	?	
Short term loans and advances	?	
Other current assets		726
Sub-Total		6390
Total		9978

Q. 4: (A).

		17-Mar	18-Mar	19-Mar	20-Mar	21-Mar
Equity Share Data						
High	Rs	625	554	817	1,300	829
Low	Rs	290	332	375	695	450
Sales per share (Unadj.)	Rs	426.8	434.4	574.6	754.6	860.4
Earnings per share (Unadj.)	Rs	32.8	31.8	38.5	30	43.2
Diluted earnings per share	Rs	32.8	31.8	38.5	30	43.2
Cash flow per share (Unadj.)	Rs	47.7	46.1	66.7	68.1	82.2
Dividends per share (Unadj.)	Rs	6	6	6.5	6.5	7.5
Adj. dividends per share	Rs	6	6	6.5	6.5	7.5
Dividend yield (eoy)	%	1.3	1.4	1.1	0.7	1.2
Book value per share (Unadj.)	Rs	368.4	379.9	426.7	555.7	583.7
Adj. book value per share	Rs	368.4	379.9	426.8	555.8	583.8
Shares outstanding (eoy)	m	77.01	77.01	77.01	77.01	77.01
Bonus/Rights/Conversions		-	-	-	-	-
Avg Mkt Cap	Rs crore	3445.8	3333	4512	7604.7	4847
No. of employees	'000	6.3	NA	6	5.9	5.8
Income Data						
Net Sales	Rs crore	3395.4	3781.2	4456.1	5891.7	6612.5
Other income	Rs crore	123.45	185.32	155.29	84	88.5
Total revenues	Rs crore	3518.85	3966.52	4611.39	5975.7	6701
Gross profit	Rs crore	301.6	286.4	623.5	808.1	948.6
Depreciation	Rs crore	153.8	148.8	255.5	332.2	339.1
Interest	Rs crore	78.4	82.3	276.8	377.6	370.5
Profit before tax	Rs crore	169.8	232.8	237.1	172.3	317.4
Extraordinary Inc (Exp)	Rs crore	42.9	-31.5	-6.8	-12.5	0
Tax	Rs crore	32.1	39.8	15.4	8.9	79.2
Profit after tax	Rs crore	180.6	161.5	214.9	150.9	238.2
Balance Sheet Data						
Current assets	Rs crore	2403	2674.1	3094.8	3454.1	2504.5
Current liabilities	Rs crore	588	935.1	1244.2	1588.8	1785.2
Inventory Days	Days	68	69	55	47	49
Debtors Days	Days	12	13	14	12	13
Net fixed assets	Rs crore	2049.2	2097.3	7168.3	8131.1	8178.4
Share capital	Rs crore	87	87	87	87	87
"Free" reserves	Rs crore	2987.1	3124.6	3588.7	4156.4	4789.5
Net worth	Rs crore	3074.1	3211.6	3675.7	4243.4	4876.5
Long term debt	Rs crore	1193.4	899.2	4190.2	4123.5	3823.1
Total assets	Rs crore	5101.7	5229.3	9697.8	11074.9	11331.6

Using the above data, comment on the change of profitability ratios of the firm.

Or

Q. 4: (B).

Particulars	Mar-22
Human Assets	452.76
Contingent Liabilities	53.65
Trade Payables	612.34
Reserves and Surplus	2,431.25
Long Term Provisions	8.95
Capital Work-In-Progress	0
Non-Current Investments	6.43
Other Long Term Liabilities	116.56
Equity Share Capital	87.12
Fixed Assets	398.56
Deferred Tax Assets [Net]	127.78
Other Current Liabilities	108.45
Short Term Provisions	25.43
Intangible Assets Under Development	0
Long Term Loans And Advances	119.02
Cash And Cash Equivalents	839
Other Non-Current Assets	86
Inventories	893.09
Revaluation Reserves	0
Trade Receivables	56.3
Other Current Assets	93.33
Short Term Loans And Advances	7.36

Using the above data comment on the short term solvency of the firm.

SECTION - C

Read the case and answer the questions

7×02 = 14 Marks

Questions	CO	Bloom's Level
<p>Q. 5: Case Study:</p> <p>Sun plate solar panel manufacturer has the plant capacity of making 3,00,000 units in the plant. Presently, the company is manufacturing 2,00,000 units and selling in the domestic market at selling price of Rs. 24/- per unit. No alternative use of idle capacities is reported by the company.</p> <p>Owing to good quality of product, the company has received a proposal to export 1,00,000 units at Rs. 18/- per unit. Additional packing cost of Rs-1 per unit will be charged in the export order.</p> <p>Questions:</p> <p>Q. 5: (A). Create a suggestion plan, whether to accept the proposal of export or not.</p> <p>Q. 5: (B). if the export order is for 100% units manufactured by company at revised price of 17/- Rs. Per unit, Create a suggestion plan, whether to accept the proposal of export or not.</p>	CO 4	L6

Kindly fill the total marks allocated to each CO's in the table below:

COs	Marks Allocated
CO1	5 Marks
CO2	7 Marks
CO3	14 Marks

CO4	14 marks
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(Please ensure the conformity of the CO wise marks allocation as per your TLEP.)

Blooms Taxonomy Levels given below for your ready reference:

L1= Remembering

L2= Understanding

L3= Apply

L4= Analyze

L5= Evaluate

L6= Create