



Trim: June – Sep 24		
Maximum Marks: 50 Examination: ETE Exam Date: 07-11-24 Duration: 2 hours		
Programme code: 14 Programme: MBA SM	Class: FY	Semester/Trimester: I
College: K. J. Somaiya Institute of Management	Name of the department/Section/Center: Finance & Law	
Course Code: 317P14C105	Name of the Course: Management Accounting for Sports	
Instructions: Solve any Five questions , All questions carry 10 marks		

Question No.		Max. Marks																												
1	<p>The following balances are extracted from the books of Star Ltd. Prepare the balance sheet as on 31st March 2020:</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Balances</th> <th style="text-align: left;">Amount</th> </tr> </thead> <tbody> <tr> <td>Accrued commission (not yet received income)</td> <td style="text-align: right;">20000</td> </tr> <tr> <td>Land & Building</td> <td style="text-align: right;">10,00,000</td> </tr> <tr> <td>Equity share capital</td> <td style="text-align: right;">10,00,000</td> </tr> <tr> <td>Bank Balance</td> <td style="text-align: right;">45000</td> </tr> <tr> <td>General reserve</td> <td style="text-align: right;">20000</td> </tr> <tr> <td>Closing stock</td> <td style="text-align: right;">180000</td> </tr> <tr> <td>Creditors</td> <td style="text-align: right;">400000</td> </tr> <tr> <td>Debtors</td> <td style="text-align: right;">230000</td> </tr> <tr> <td>10% Debenture</td> <td style="text-align: right;">130000</td> </tr> <tr> <td>Furniture</td> <td style="text-align: right;">125000</td> </tr> <tr> <td>Investments</td> <td style="text-align: right;">30000</td> </tr> <tr> <td>Reserve Fund</td> <td style="text-align: right;">20000</td> </tr> <tr> <td>Provision for taxation</td> <td style="text-align: right;">60000</td> </tr> </tbody> </table>	Balances	Amount	Accrued commission (not yet received income)	20000	Land & Building	10,00,000	Equity share capital	10,00,000	Bank Balance	45000	General reserve	20000	Closing stock	180000	Creditors	400000	Debtors	230000	10% Debenture	130000	Furniture	125000	Investments	30000	Reserve Fund	20000	Provision for taxation	60000	
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2	<p>Classify the items below according to (i) whether they appear on the income statement or balance sheet and (ii) whether it is classified as revenue, expenses, assets, liability, or equity. Consider the following information-</p> <table border="1" style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;">Item</th> <th style="text-align: left;">Appears on</th> <th style="text-align: left;">Classified as</th> </tr> </thead> <tbody> <tr> <td>Rent expenses</td> <td></td> <td></td> </tr> <tr> <td>Equipment</td> <td></td> <td></td> </tr> <tr> <td>Bank balance</td> <td></td> <td></td> </tr> <tr> <td>Accounts Receivable</td> <td></td> <td></td> </tr> </tbody> </table>	Item	Appears on	Classified as	Rent expenses			Equipment			Bank balance			Accounts Receivable																
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	Bank Loan		
	Capital		
	Retained earnings		
	Interest received		
	Advertisement expenses		
	Sale Revenue		

3

The following information is available for the Lentin Repossessions Company as of 31 March of the Current year.

Comparative Balance Sheet (Rs in millions)

Particulars	Current Year (Rs in millions)	Previous year (Rs in millions)
Cash	15	10
Accounts Receivables	30	25
Inventory	75	75
Prepaid Insurance	10	15
Net Property & Equipment	400	315
Total Assets	530	440
Accounts payable	40	50
Other current liabilities	25	40
Bonds payable	75	150
Equity share capital	290	150
Retained earnings	100	50
Total liability & equity	530	440

Income Statement of Current Year

Particulars	Current Year (Rs in millions)
Sales	400
Cost of goods sold	210
Gross profit	190

Operating expenses	55
Operating Income	135
Interest Expenses	15
Income before tax	120
Income tax expenses	50
Net Income after tax	70

From the above statements, you are required to compute the following and give your interpretation-

- a) Current Ratio b) Net margin Ratio c) Stock Turnover
d) Return on total assets e) Debt-equity ratio

4 The records of the firm show the following-

Quarter	Sales (Rs)	Profit (Rs)
I	100000	8000
II	120000	12000

Using the above information, calculate-

- PV ratio
- Variable cost for quarter I
- Fixed cost
- Break-even point
- Profit when sales are Rs 500000
- Sales required to earn a profit of Rs 25000

5 Write Short notes on any two-

- Fixed cost and Variable cost
- Importance of Budget
- Use of Management Accounting

6 Sideways Ltd sells a single product and uses a periodic inventory system. The following information was extracted from the accounting records:

Sales	Purchases
<ul style="list-style-type: none"> • 1500 units @ Rs 8.50 • 500 units @ Rs 10.00 	<ul style="list-style-type: none"> • March 800 units @ Rs 4.75 • July 600 units @ Rs 5.50 • October 900 units @ Rs 6.00

The firm's beginning inventory on 1st January totaled 300 units and Rs 1200.

- (a) Compute Sideway's ending inventory, cost of goods sold, and gross profit using the following inventory valuation methods- FIFO, LIFO, and Weighted average methods.
(b) Which of the methods generates the greatest amount of inventory profit? Explain.