

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

**POST GRADUATE DIPLOMA IN MANAGEMENT (2025-27)**  
**END TERM EXAMINATION (TERM -I)**

Subject Name: **Accounting for Managers**

Time: **02.00 hrs**

Sub. Code: **PG103**

Max Marks: **40**

**Note: All questions are compulsory. Section A carries 12 marks: 6 questions of 2 marks each, Section B carries 18 marks having 3 questions (with internal choice question in each) of 6 marks each and Section C carries 10 marks one Case Study having 2 questions of 5 marks each.**

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

CO#	Course Outcomes	Bloom's Taxonomy
CO-1	Explain the fundamental forms of business, accounting principles (GAAP and Ind AS/IFRS), and interpret and evaluate the components of financial statements—Income Statement, Balance Sheet	Understand- L-2
CO-2	Preparation of Financial statement including Cash Flow Statement and overall analysis and assessment of financial statements and their relevance to stakeholders with the help of cases.	Evaluate- L-5
CO-3	Compare and Analyze the quality and structure of financial reporting in real-world company annual reports and present findings effectively.	Analyze- L-4
CO-4	Perform financial ratio and trend analysis to assess a company's liquidity, profitability, efficiency, and financial stability.	Evaluate- L-5
CO-5	Identify signs of financial misreporting and earning manipulation through case-based analysis of accounting scams.	Evaluate- L-5
CO-6	Apply cost accounting tools—cost sheets, break-even and differential analysis—to support strategic decisions and suggests performance improvements.	Evaluate- L-5

**SECTION - A**

Attempt all questions. All questions are compulsory.

**2×6 = 12 Marks**

Questions	CO	Bloom's Level
<b>Q. 1: (A).</b> Indian GAAP Vs Ind AS / IFRS	CO1	L2
<b>Q. 1: (B).</b> Cash Basis Accounting Vs Accrual Basis Accounting		
<b>Q. 1: (C).</b> Operating Profit Vs Net Profit		
<b>Q. 1: (D).</b> Income Statement Vs Cash Flow Statement	CO2	L3
<b>Q. 1: (E).</b> Operating Activities Vs Investing Activities (Cash Flow)		
<b>Q. 1: (F).</b> Horizontal Analysis Vs Common-Size (Vertical) Analysis		

## SECTION – B

All questions are compulsory (Each question has an internal choice. Attempt anyone (either A or B) from the internal choice)

**6 x 3 = 18 Marks**

Questions					CO	Bloom's Level																																										
<p><b>Q. 2: (A).</b> Mr. Wanchoo runs a small business and maintains his books of accounts diligently. As on 31st March 2023, the following trial balance was extracted from his books:</p> <ul style="list-style-type: none"><li>• Capital Account: ₹10,00,000</li><li>• Inventories as on 1st April 2022: ₹2,00,000</li><li>• Cash in hand: ₹1,44,000</li><li>• Machinery Account: ₹7,36,000</li><li>• Purchases Account: ₹18,20,000</li><li>• Wages Account: ₹10,00,000</li><li>• Salaries Account: ₹10,00,000</li><li>• Discount Allowed Account: ₹50,000</li><li>• Discount Received Account: ₹30,000</li><li>• Sundry Office Expenses Account: ₹6,00,000</li><li>• Sales Account: ₹50,00,000</li><li>• Sums owing by customers (Trade Receivables): ₹8,50,000</li><li>• Trade Payables (sums owing to suppliers): ₹3,70,000</li><li>• The total of both debit and credit columns of the trial balance is ₹64,00,000.</li><li>• The closing inventory on 31st March 2023 is valued at ₹2,70,000.</li></ul> <p>Prepare the <b>Profit &amp; Loss Account, and Balance Sheet</b> for Mr. Wanchoo for the year ended 31st March 2023.</p> <p style="text-align: center;"><b>Or</b></p> <p><b>Q. 2: (B).</b> Explain the prescribed format of the Income Statement and Balance Sheet as per Schedule III of the Companies Act, 2013. Further, discuss the importance of financial statements for various stakeholders, highlighting how these statements aid in decision-making, performance evaluation, and financial planning.</p>					CO2	L5																																										
<p><b>Q. 3: (A).</b> ABC Ltd. has reported the following summary of its Profit &amp; Loss figures (₹ in lakhs) for the last five financial years:</p> <table><tr><th>Particulars</th><th>FY21</th><th>FY22</th><th>FY23</th><th>FY24</th><th>FY25</th></tr><tr><td>Revenue from Operations</td><td>12,500</td><td>14,200</td><td>15,600</td><td>17,800</td><td>20,400</td></tr><tr><td>Other Income</td><td>350</td><td>420</td><td>390</td><td>480</td><td>560</td></tr><tr><td>Total Expenses</td><td>10,800</td><td>12,200</td><td>14,000</td><td>15,500</td><td>17,300</td></tr><tr><td>Finance Cost</td><td>420</td><td>460</td><td>500</td><td>540</td><td>580</td></tr><tr><td>Depreciation &amp; Amortisation</td><td>300</td><td>340</td><td>370</td><td>410</td><td>450</td></tr><tr><td>Profit Before Tax (PBT)</td><td>1,330</td><td>1,620</td><td>1,120</td><td>1,830</td><td>2,630</td></tr></table>					Particulars	FY21	FY22	FY23	FY24	FY25	Revenue from Operations	12,500	14,200	15,600	17,800	20,400	Other Income	350	420	390	480	560	Total Expenses	10,800	12,200	14,000	15,500	17,300	Finance Cost	420	460	500	540	580	Depreciation & Amortisation	300	340	370	410	450	Profit Before Tax (PBT)	1,330	1,620	1,120	1,830	2,630	CO3	L4
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Tax Expense	400	480	350	540	760
<b>Profit After Tax (PAT)</b>	930	1,140	770	1,290	1,870

- Prepare a Comparative Profit & Loss Statement for FY24 and FY25 showing the absolute change and percentage change for each item.
- Compute trend percentages for Revenue from Operations and Profit After Tax taking FY21 as the base year (100%) and interpret the results.

**Or**

**Q. 3: (B).** Provide a comprehensive explanation of the Indirect Method for preparing a Cash Flow Statement in accordance with Ind AS 7 and the presentation requirements of Schedule III of the Companies Act, 2013.

**Q. 4: (A).** XYZ Manufacturing Ltd. is a medium-sized enterprise engaged in producing eco-friendly kitchen appliances. The management is reviewing the cost structure for August 2025 to plan pricing for its upcoming product launch. The following cost details are available:

Particulars	Amount (₹)
Raw Material Purchases	3,20,000
Opening Stock of Raw Materials	50,000
Closing Stock of Raw Materials	40,000
Direct Wages	1,60,000
Direct Expenses (Special design charges)	35,000
Factory Overheads (includes ₹10,000 depreciation on plant)	1,10,000
Office & Administrative Overheads	75,000
Selling & Distribution Overheads (includes ₹8,000 advertisement expenses)	60,000
Opening Stock of Work-in-Progress	30,000
Closing Stock of Work-in-Progress	25,000
Opening Stock of Finished Goods	45,000
Closing Stock of Finished Goods	40,000

Prepare a detailed Cost Sheet showing the following elements:

Prime Cost, Factory/Works Cost, Cost of Production, Cost of Goods Sold, Total Cost (Cost of Sales) and Cost per Unit.

Explain how this cost sheet can help management in pricing decisions, especially when setting a selling price for the upcoming product line.

**Or**

**Q. 4: (B).** Explain the concepts of Break-even Analysis and Cost–Volume–Profit (CVP) Analysis. In your answer:

- Define break-even point and contribution margin.

CO6 L5

- Discuss the key assumptions underlying CVP and break-even analysis.

Explain how these tools assist managers in pricing decisions, profit planning, and cost control.

### SECTION - C

Read the case and answer the questions

**5×02 = 10 Marks**

Questions	CO	Bloom's Level																												
<p><b>Q. 5: Case Study: Ratio Analysis of Zenith Appliances Ltd.</b></p> <p>Zenith Appliances Ltd is a mid-sized company manufacturing consumer electronics. The management wants to assess the company's financial health before planning a new product launch. The summarized financial statements for the year ended March 31, 2025, are as follows (figures in ₹ lakhs):</p> <p style="text-align: center;"><b>Balance Sheet (Partial)</b></p> <table><tr><th>Particulars</th><th>Amount (₹ lakhs)</th></tr><tr><td>Share Capital</td><td>1,200</td></tr><tr><td>Reserves &amp; Surplus</td><td>800</td></tr><tr><td>Long-term Borrowings</td><td>600</td></tr><tr><td>Current Liabilities</td><td>500</td></tr><tr><td>Fixed Assets (Net)</td><td>1,400</td></tr><tr><td>Current Assets</td><td>1,700</td></tr></table> <p style="text-align: center;"><b>Income Statement (Partial)</b></p> <table><tr><th>Particulars</th><th>Amount (₹ lakhs)</th></tr><tr><td>Revenue from Operations</td><td>2,800</td></tr><tr><td>Cost of Goods Sold</td><td>1,900</td></tr><tr><td>Operating Expenses</td><td>600</td></tr><tr><td>Interest Expense</td><td>50</td></tr><tr><td>Tax Expense</td><td>80</td></tr><tr><td>Net Profit</td><td>170</td></tr></table> <p>Questions:</p> <p><b>Q. 5: (A). Compute and interpret the following ratios:</b></p> <ul style="list-style-type: none"><li>• Current Ratio</li><li>• Debt-to-Equity Ratio</li><li>• Gross Profit Margin</li><li>• Net Profit Margin</li><li>• Return on Capital Employed (ROCE)</li></ul>	Particulars	Amount (₹ lakhs)	Share Capital	1,200	Reserves & Surplus	800	Long-term Borrowings	600	Current Liabilities	500	Fixed Assets (Net)	1,400	Current Assets	1,700	Particulars	Amount (₹ lakhs)	Revenue from Operations	2,800	Cost of Goods Sold	1,900	Operating Expenses	600	Interest Expense	50	Tax Expense	80	Net Profit	170	CO4	L5
Particulars	Amount (₹ lakhs)																													
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<p><b>Q. 5: (B).</b> Based on the calculated ratios, discuss the financial strengths and weaknesses of Zenith Appliances Ltd How might these insights help management in:</p> <ul style="list-style-type: none"> <li>• Making investment decisions</li> <li>• Managing working capital</li> <li>• Planning for future expansion</li> </ul>		
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**Kindly fill the total marks allocated to each CO's in the table below:**

<b>COs</b>	<b>Question No.</b>	<b>Marks Allocated</b>
CO1	1 (A, B, C)	6 Marks
CO2	1 (D, E, F), 2	12 Marks
CO3	3	6 Marks
CO4	5	10 Marks
CO5		
CO6	4	6 Marks

**(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**