

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

POST GRADUATE DIPLOMA IN MANAGEMENT (2025-27)

MID TERM EXAMINATION (TERM -I)

 Subject Name: **Accounting for Managers**

 Time: **01.00 hrs**

 Sub. Code: **PG103**

 Max Marks: **20**
Note: All questions are compulsory. Read the case and answer the questions
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	Cash Flow Statement— an overall analysis and assess 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*10 = 20 Marks

	CO	Bloom's Level
Case Study 1 – GreenLeaf Agro Pvt. Ltd. It was the closing week of March 2025 at <i>GreenLeaf Agro Pvt. Ltd.</i> , a fast-growing agri-products enterprise. Raghav, the junior accountant, was tasked with preparing the year-end financial statements for the first time. Guiding him through the process was Ms. Meera, the company's Chief Financial Officer. She provided the trial balance for the year ending 31 March 2025. Account Receivables were amounted to Rs. 52,000, Accounts Payable were Rs. 22,000, and Cash in Hand stood at Rs. 2,392. The business owned Furniture worth Rs. 3,500, a Motor Car valued at Rs. 22,000, Machinery worth Rs. 24,000, and Equipment of Rs. 2,508. Purchases during the year were Rs. 1,45,000, while Sales totalled Rs. 2,92,000, with Sales Returns of Rs. 2,600. Opening Stock was Rs. 11,400. The company incurred expenses such as Salaries of Rs. 8,420, Motor	CO1	L2,L3, L4, L6

<p>Car Expenses of Rs. 3,600, Wages of Rs. 23,600, General Expenses of Rs. 2,680, Carriage Inward of Rs. 2,040, Carriage Outward of Rs. 1,630, Transportation in Rs. 6,430, and Rent and Taxes amounting to Rs. 3,600. The Insurance Premium paid on October 1, 2024, was Rs. 2,400. Cash at Bank amounted to Rs. 6,200. The Owner's Equity stood at Rs. 12,000.</p> <p>Year-end adjustments to be made</p> <p>(a) Closing stock Rs. 35,000. (b) Provision for doubtful debts at 5% of sundry debtors. (c) Depreciation furniture and machinery by 10%. (d) Commission of Rs. 3,600 has been earned but not received till the closing of accounts.</p> <p>Questions:</p> <ol style="list-style-type: none"> 1. Prepare the Statement of Profit & Loss for the year ended 31 March 2025 and identify the accounting principle applied when recording the outstanding wages and prepaid insurance from expenses. (<i>Embed the principle explanation within the P&L section.</i>) (4+1=5 marks) 2. Prepare the Balance Sheet as at 31 March 2025, presented in the Schedule III format (show equity & liabilities and assets). (5 marks) <p>Case Study 2 – Sunrise Manufacturing Ltd.</p> <p>Sunrise Manufacturing Ltd. reported a net profit before tax is ₹7,81,000. During the year, the company proposed a dividend for the current year of ₹72,000. Non-cash adjustments during the period included depreciation of ₹1,40,000 and a loss on sale of machinery worth ₹30,000, while a profit on sale of investments of ₹20,000 was recorded. The company also received a dividend on investments of ₹6,000.</p> <p>In terms of working capital changes, there was a decrease in current assets (excluding cash and cash equivalents) of ₹10,000 and an increase in current liabilities of ₹1,51,000. However, there was also an increase in current assets (excluding cash and cash equivalents) amounting to ₹6,00,000, and a decrease in current liabilities of ₹64,000. Regarding tax transactions, the company paid income tax of ₹1,18,000 but also received a refund of income tax of ₹3,000.</p> <p>Questions:</p> <ol style="list-style-type: none"> 1) From the given information of Sunrise Manufacturing Ltd., prepare a Cash Flow from Operating Activities (CFO) statement for the year ended 31 March 2025 using the Indirect Method. (5 marks) 2) Suppose during the year, Sunrise Manufacturing Ltd. carried out the following additional transactions: <ul style="list-style-type: none"> • Purchased new machinery worth ₹2,50,000 • Sold old machinery for ₹70,000 • Purchased investments worth ₹1,20,000 • Issued fresh equity shares worth ₹3,00,000 • Repaid long-term borrowings of ₹1,50,000 • Paid dividend for the previous year of ₹60,000 <p>a) Classify each transaction as Investing or Financing activity as per AS 3 (Revised).</p>	<p>CO2</p>	<p>L2,L3 L4,L6</p>
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b) Show how these transactions would be reported in the respective sections of the Cash Flow Statement. (2+3=5 marks)		
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Kindly fill the total marks allocated to each CO's in the table below:

COs	Blooms Taxonomy Levels	Marks Allocated
CO1		20 Marks

Blooms Taxonomy Levels given below for your ready reference:

L1= Remembering

L2= Understanding

L3= Apply

L4= Analyze

L5= Evaluate

L6= Create