



**MB 03**

**First Year M.B.A. Examination, July 2010**  
**Course – 3 : ACCOUNTING FOR MANAGERS/MANAGEMENT**  
**ACCOUNTING**

Time : 3 Hours

Max. Marks : 75

**SECTION – A**

Answer **any three** questions. **Each** question carries **15** marks. **(3×15=45)**

1. What is financial statement analysis ? Explain the various tools of financial statement analysis.
2. Explain the various accounting concepts which influence the preparation of financial statements.
3. What is cost-volume-profit analysis ? Explain its importance and limitations.
4. From the following information, you are required to prepare a Balance Sheet.

Current Ratio	1.75
Quick Ratio	1.25
Stock Turnover Ratio (Based on Closing Stock)	9 times
Gross Profit Ratio	25%
Average Collection Period	45 days
Ratio of Reserves to Capital	0.25
Turnover of Fixed Assets	1.5
Debt-Equity	0.5
Fixed Assets to Net Worth	1.2
Sales for the year	Rs. 4.8 million

5. From the following summarized Balance Sheets of Sri Ramakrishna Co. Ltd., as on 31-03-2007 and 31-03-2008, prepare.
  - a) Statement showing changes in working capital.

**P.T.O.**



## b) Funds flow statement

<b>Liabilities</b>	<b>31-03-2007</b>	<b>31-03-2008</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Share Capital	4,50,000	5,00,000
General Reserve	3,00,000	3,10,000
Profit and Loss Account	56,000	68,000
Creditors	1,68,000	1,34,000
Mortgage Loan	50,000	2,20,000
Provision for taxation	25,000	10,000
	<b>10,49,000</b>	<b>12,42,000</b>
<b>Assets</b>	<b>31-03-2007</b>	<b>31-03-2008</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Fixed Assets	4,00,000	3,20,000
Investments	50,000	60,000
Stock	2,40,000	2,10,000
Debtors	2,10,000	4,55,000
Bank	1,49,000	1,97,000
	<b>10,49,000</b>	<b>12,42,000</b>

**Additional Information :**

- Investments costing Rs. 8,000 were sold during the year for Rs. 8,500.
- Income tax paid during the year Rs. 20,000
- During the year, a part of the fixed assets costing Rs. 10,000 were sold at a profit of Rs. 2,000.
- Dividend paid during the year amounted to Rs. 25,000.



**SECTION – B**

Answer **any two** questions. **Each** question carries **10** marks. **(2×10=20)**

6. Explain the rules of double entry system of book-keeping with suitable examples.
7. Explain the various sources and applications of funds.
8. Write a note on inter firm and intra firm comparison and benchmarking.
9. Mixers Ltd. Is engaged in producing a standard mix using 60 kgs of chemical X and 40 kgs of chemical Y. The standard loss of production is 30%. The standard price of X is Rs. 5 per kg and of Y is Rs. 10 per kg. The actual mixture and yield were as follows :  
X 80 kgs @ Rs. 4.50 per kg  
Y 70 kgs @ Rs. 8.00 per kg

**SECTION – C**

10. Answer **any five** sub-questions. **Each** sub-question carries **two** marks. **(5×2=10)**
- a) Define master budget.
  - b) What are accounting standards ?
  - c) What do you mean by capital gearing ratio ?
  - d) What are subsidiary books ?
  - e) Define budgetary control.
  - f) What is standard costing ?
  - g) Give the meaning of process costing.
  - h) Define management accounting.
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