MBA 754   MS–04

M.B.A. DEGREE EXAMINATION – JANUARY 2009.

(AY 2003-04 to CY 2005 batches only)

ACCOUNTING AND FINANCE FOR MANAGERS

Time : 3 hours   Maximum marks : 75

Answer for 5 marks question should not exceed 2 pages.

Answer for 15 marks questions should not exceed 5 pages.

PART A — (3 × 5 = 15 marks)

Answer any THREE questions.

1. What do you understand by money measurement concept?

2. Describe the role of accounting information in the control process of an organization.

3. Explain the term cost-volume-profit relationship.

4. What are the uses of budgetary control?

5. Explain the concept of financial leverage.

PART B — (4 × 15 = 60 marks)

Answer any FOUR questions.

6. What do you understand by financial statements? Explain their nature and limitations.

7. Describe the factors that affect the size of working capital in an enterprise.

8. From the following information, calculate

(a) Material cost variance

(b) Material usage variance

(c) Material price variance separately for X and Y.

Material	Standard Quantity kg.	Standard Price Rs.	Actual Quantity kg.	Actual Price Rs.
X	10	4	12	3.75
Y	15	5	18	4.50
	25		30	

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9.   From the following you are required to comment upon the long-term as well as short-term solvency of the company.

Balance sheet as on 31.12.2007

Liabilities	Rs.	Assets	Rs.
Share Capital	5,00,000	Fixed Assets	6,00,000
Fixed Liabilities	2,50,000	Liquid Assets	3,00,000
Current Liabilities	2,50,000	Stock-in-trade	1,00,000
	10,00,000		10,00,000

10.   How are capital budgeting proposals appraised by the management? Explain the various methods of appraising them.

11.   Describe the main features of an appropriate capital structure.

12.   Discuss the role of a financial manager in the matter of dividend policy of an enterprise.

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