



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

Liabilities	31-03-2007	31-03-2008
	(Rs.)	(Rs.)
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
	10,49,000	12,42,000
Assets	31-03-2007	31-03-2008
	(Rs.)	(Rs.)
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
	10,49,000	12,42,000

Additional Information :

- a) Investments costing Rs. 8,000 were sold during the year for Rs. 8,500.
- b) Income tax paid during the year Rs. 20,000
- c) During the year, a part of the fixed assets costing Rs. 10,000 were sold at a profit of Rs. 2,000.
- d) 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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