

Roll No.

11445

MBA 2 year 1st Semester (Old)

Examination– December, 2013

ACCOUNTING FOR MANAGERS

Paper : 2105

Time : Three hours]

[Maximum Marks : 70

Before answering the questions, candidates should ensure that they have been supplied the correct and complete question paper. No complaint in this regard, will be entertained after examination.

Note : Attempt *five* questions in all, selecting at least *one* question from each Unit. **Section-B** is *compulsory*
All questions carry equal marks.

SECTION-A

UNIT-I

1. What is an accounting equation ? Illustrate its mechanism by imaginary figures to prove that the two sides of the equation are always equal.
2. What adjustment entries would you pass in regard to
 - (a) outstanding expenses
 - (b) income received in advance
 - (c) Loss of stock by fire and
 - (d) depreciation ?

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UNIT-II

3. What is Common sized Income Statement and Balance Sheet ? Explain the technique of preparing common sized Balance Sheets.
4. How does Cash Flow Statement differ from a Funds Flow Statement ? What are their uses ?

UNIT-III

5. "Cost can be classified in a variety of ways according to their nature and information needs of management." Discuss.
6. Explain the different methods of inventory valuation. In a period of rising prices, which method will you suggest and why ?

UNIT-IV

7. What is Cash Budget ? What are its advantages ? How is it prepared ?
8. Explain the possible causes of Material Price Variance and Material Usage Variance in standard costing. What are their remedial measures ?

SECTION-B

9. From the following information, prepare a Balance Sheet as on 31.3.2012 :

Stock Velocity	6
Fixed Assets Turnover Ratio	4
Capital Turnover Ratio	2

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Gross Profit

20%

Debt Collection Period

2 months

Creditors Payment Period

73 days

Gross Profit

Rs. 60,000

Closing Stock was Rs. 5000 in excess of opening stock.
