

**First Semester M.B.A. (Distance Mode) Degree Examination,
June/ July 2009
(Directorate of Correspondence Course)
(New Scheme)**

M.B.A. DP : 102 : Accounting for Managers

Time : 3 Hours

Max. Marks : 80

Section - A

Answer the following sub-questions in two or three sentences each. Each question carries two marks. (5x2=10)

1. a. Define financial accounting.
- b. What is Ratio?
- c. Differentiate between total cost and marginal cost.
- d. What do you understand by budget?
- e. What is depreciation?

Section - B

Answer any FIVE of the following. Each question carries SEVEN marks (5x7=35)

2. What do you mean by marginal costing? What are the managerial uses of marginal costing?
3. Explain different kinds of subsidiary books.
4. Discuss the limitations of ratio analysis.
5. Prepare a trial balance on the basis of the following data.

	Rs		Rs
Fixed assets	29,000	Capital	35,000
Share premium	10,00	Prepaid insurance	2,000
Outstanding wages	2,000	Stock	16,000
Dividend equalization fund	4,000	Goodwill	4,000

6. Pass the journal entries for the following transaction
 - i) Interest due but not received Rs. 1,200
 - ii) Goodwill to be created Rs. 5,000
 - iii) Outstanding rent Rs. 3,000
 - iv) Proposed dividend Rs. 50,000
 - v) Commission paid Rs. 10,000
7. X Co. Ltd, purchased a machinery on 1.1.2003 for Rs. 5,00,000. It will have a salvage value of Rs. 50,000 at the end of its life of 5 years. Calculate depreciation for each year over its life. X company follows SYD method and also pass journal entries for the first two years.

Section - C

Answer the following questions. Q.No. 8 and 9 carry 10 marks each and Q.no. 10 carries 15 marks. (10+10+15=35 marks)

8. a) What are accounting concepts and conventions ? Explain any five of them with examples.

OR

b) Discuss the uses and sources of funds flow statements.

9. a) From the following, compute p/v ratio, BEP, margin of safety (M/S) for both the companies.

Company	Sales Revenue (Rs)	Variable Cost (Rs)	Fixed cost (Rs)
A	1,00,000	50,000	25,000
B	1,20,000	90,000	25,000

OR

b) With the following data for a 60% activity prepare a budget for production at 80% and 100% capacity.

Production at 60% activity 600 units

Materials Rs 100 per unit.

Labour Rs. 40 per unit

Factory expenses Rs. 40,000 (40% fixed)

Administration expenses Rs 30,000 (60% fixed)

10. From the following balance sheet of a company, prepare a schedule of changes in working capital and a statement of sources and application of funds during the year.

Assets	2005	2006
Cash	1,30,000	40,000
Debtors	1,00,000	1,60,000
Stock	2,35,000	2,55,000
Land & Buildings	5,40,000	10,20,000
Plant & Machinery	28,04,000	35,44,000
Furniture and fittings	2,10,000	2,10,000
	<u>40,19,000</u>	<u>52,29,000</u>
Liabilities		
Share capital	36,00,000	40,00,000
Surplus	1,00,000	1,29,000
Long-term loan	-	5,35,000
Creditors	3,19,000	3,65,000
Provision for dividend	-	2,00,000
	<u>40,19,000</u>	<u>52,29,000</u>
