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Register Number :

6885

Name of the Candidate :

M.B.A. DEGREE EXAMINATION MAY 2014.

(FINANCIAL MANAGEMENT)

(FIRST YEAR)

150 — FINANCIAL AND MANAGEMENT ACCOUNTING

Time : Three hours

Maximum : 75 marks

SECTION A

Answer any FIVE questions.

(5 × 3 = 15)

1. Write short notes on :
 - (a) Pay back Method
 - (b) Sources of Funds
 - (c) Cash Flow Statement
 - (d) Break Even Point
 - (e) Net Working Capital
 - (f) Objectives of Reports
 - (g) Budgetary Control.

SECTION B

Answer any THREE questions.

(3 × 10 = 30)

2. Distinguish between Management Accounting and Financial Accounting.
3. State the objectives of budgetary control.
4. State the limitations of ratio analysis.
5. Calculate profit volume ratio from the following particulars.
Sales Rs. 10,00,000
Variable Cost Rs. 4,00,000
Fixed Cost Rs. 4,00,000.
6. List out the sources and application of Funds.

SECTION C**Answer any ONE question.****(1 × 15 = 15)**

7. List out the important methods of ranking investment proposals.
8. The expenses for the production of 5000 units in a factory are given below :

	Per unit Rs.
Materials	50
Labour	20
Variable overheads	15
Fixed overheads (Rs. 50,000)	10
Administrative expenses (5% variable)	10
Selling expenses (20% fixed)	6
Distribution expenses (10% fixed)	5
Total Cost per unit	<u>116</u>

Prepare a Flexible Budget for the production of 7000 units.

9. Sakthi Limited submits the following data regarding Sales and Cost :

Sales 1,00,000

Sales returns 20,000

Cost of sales 50,000

Find out Gross Profit Ratio.

SECTION D**Compulsory.****(1 × 15 = 15)**

10. From the following balances of X Limited, you are required to calculate :

(a) Current Ratio (b) Liquid Ratio (c) Debt Equity Ratio

Liabilities	1989	1990	Assets	1989	1990
	Rs.	Rs.		Rs.	Rs.
Equity Capital	400	400	Plant	400	410
Pref. Share Capital	300	300	Building	400	370
Reserves	200	245	Stock	200	300
8% Debentures	100	150	Cash	100	140
Bills Payable	50	75	Debtors	200	300
Creditors	<u>250</u>	<u>350</u>			
Total	<u>1,300</u>	<u>1,520</u>	Total	<u>1,300</u>	<u>1,520</u>