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Register Number:

Name of the Candidate:

M.B.A. DEGREE EXAMINATION, May 2015**(FINANCIAL MANAGEMENT)****(FIRST YEAR)****150: FINANCIAL AND MANAGEMENT ACCOUNTING**

Time: Three hours

Maximum: 75 marks

SECTION - A**Answer any FIVE questions****(5 × 3 = 15)****Write short notes on:**

1. Origin of management accounting.
2. Define internal rate of return.
3. Define return on Investment.
4. Define budget
5. Meaning of funds flow statement
6. Angle of incidence.
7. Permanent working capital

SECTION - B**Answer any THREE questions****(3 × 10 = 30)**

8. Explain the constituents of working capital cycle.
9. Explain the main duties and functions of a management accountant.
10. State the significance of accounting ratios in the analysis of financial statements.
11. A company had the following transactions during the year ended 30th June 1988.

Particulars	₹	Particulars	₹
Increase in stock	4,500	Depreciation	3,000
Profit before tax	12,000	Decrease in creditors	1,500
Decrease in receivables	4,500	Increase in long term loan	6,000
Increase in paid up capital	3,000	Closing cash and bank balance	6,000
Dividend cash and bank balance	6,000	Decrease in marketable investments	1,500
Opening cash and bank balance	1,500	Payment of taxes	3,000
Increase in short term loan	1,500		
Increase in fixed assets	9,000		

Prepare funds flow statement for the year 1987-88.

12. From the following data, you are required to prepare profit and loss accounts in the traditional form as well as in the contribution format

Particulars	₹
Sales	84,00,000
Depreciation, supervisory salaries, other fixed costs.	18,00,000
Variable production costs	22,00,000
Operating expenses – Administration	16,00,000
Selling expenses	20,00,000

50% of administration expenses and 40% of selling expenses were fixed.

SECTION - C

Answer any ONE question

(1 × 15 = 15)

13. Discuss the factors affecting capital expenditure decisions.
14. From the following profit and loss account and balance sheet of green Ltd., for the year ended 1991 and 1992 you are required to prepare a comparative income statement and comparative balance sheet.

Profit and Loss A/c

Particulars	1998 ₹	1999 ₹	Particulars	1998 ₹	1999 ₹
To Cost of goods sold	1,20,000	1,50,000	By Net Sales	1,60,000	2,00,000
To Operating Expenses:					
Administrative	4,000	4,000			
Selling	6,000	6,000			
To Net Profit	3,00,000	30,000			
	1,60,000	2,00,000		1,60,000	2,00,000

Balance Sheet as on 31st December

Liabilities	1998 ₹	1999 ₹	Assets	1998 ₹	1999 ₹
Equity share Capital	80,000	80,000	Land	20,000	20,000
Preference share Capital	60,000	60,000	Buildings	60,000	54,000
General reserve	40,000	49,000	Plant	60,000	54,000
8% Debenture	20,000	30,000	Furniture	20,000	28,000
Bills payable	10,000	15,000	Cash	20,000	28,000
Sundry Creditors	30,000	40,000	Debtors	40,000	60,000
Tax payable	20,000	30,000	Stock	40,000	60,000
	2,60,000	3,04,000		2,60,000	3,04,000

15. The comparative balance sheets of Thiru Vetrivel for the two year were as follows:

Liabilities	1997 ₹	1998 ₹	Assets	1997 ₹	1998 ₹
Loan from wife	--	20,000	Cash	11,000	15,000
Bills payable	12,000	8,000	Debtors	40,000	35,000
Creditors	25,000	52,000	Stock	25,000	30,000
Bank overdraft	43,000	60,000	Machinery	20,000	14,000
Capital	66,000	34,000	Buildings	50,000	80,000
	1,46,000	1,74,000		1,46,000	1,74,000

Additional Information:

- Net loss for the year 1988 amounted to ₹13,000.
- During the year, a machine costing ₹5,000 (accumulated depreciation ₹2,000) was sold for ₹2,500. The provision for depreciation against machinery as on 31.12.87 was ₹6,000 and on 31.12.88 ₹7,000

From the above information, prepare a cash flow statement.

**SECTION - D
COMPULSORY**

(1 × 15 = 15)

16. Prepare a production budget for three month ending 31st March 1989, for a factory producing four products on the basis of the following information.

Type of product	Estimated stock on 01.01.89 (Units)	Estimated sales during January-March, 1989 (units)	Desired closing stock on 31.03.1989 (units)
A	8,000	40,000	12,000
B	12,000	60,000	20,000
C	16,000	52,000	12,000
D	12,000	48,000	8,000

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