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Register Number:

Name of the Candidate:

6743

M.B.A DEGREE EXAMINATION, 2011
(THREE YEAR PROGRAMME)
(FIRST YEAR)

(PAPER-II)

120. FINANCIAL AND MANAGEMENT ACCOUNTING

Dec.)

(Time: 3 Hours)

Maximum: 75 Marks

SECTION-A

(5×3=15)

Answer any FIVE questions

All questions carry equal marks

1. State any three advantages of management accounting.
2. Explain Pay Back Period method with examples.
3. State any three limitations of financial statements.
4. Differentiate between Trial Balance and Balance sheet.
5. Explain Shareholders Funds.
6. List the steps involved in preparation of Fund Flow Statement.
7. Explain CVP analysis.

SECTION-B

(3×10=30)

Answer any THREE questions

All questions carry equal marks

8. Differentiate between financial and management accounting.
9. Explain the classification and uses of ratio analysis.
10. Elucidate the different types of budget in detail.
11. Elucidate the factors that determine the working Capital of an organization.
12. Explain the advantages and disadvantages of Marginal Costing.

SECTION-C

(1×15=15)

Answer any ONE question

13. The following is the Balance Sheet of M/S. Asia Ltd as on 31.3.2011

Liabilities	Rs.	Assets	Rs.
Equity Share Capital	15,00,000	Fixed Assets	22,50,000
Preference Share Capital	7,50,000	Short-term investments	7,50,000
Reserve and surplus	2,50,000	Stock	2,50,000
8% debentures	5,00,000	Debtors	1,50,000
Bills payable	2,00,000	Bank balance	1,00,000
Sundry creditors	1,00,000		
Profit and Loss a/C	2,00,000		
	35,00,000		35,00,000

Calculate a) Return on capital employed b) Return on owner's capital
c) Fixed assets to networks d) Current ratio

14. Maximum Production capacity of 'X' & Co is 50,000 units per month. At present the company is producing and selling 40,000 units per month. The present selling price is Rs. 500 per unit and the variable cost per unit is Rs. 400 and the fixed cost is Rs. 20,00,000.

Find a) BEP b) Profit and Margin of safety. There is a foreign order for 7000 units of the same product with same quality for Rs. 425/- per unit.

Give your suggestion whether the order can be accepted or not? Why?

15. PSG spinning mills Ltd. is considering two mutually exclusive proposals.

Particulars	Discount Rate 10%	Year	Proposal	
			A(Rs)	B(Rs)
Expected cash outlay		0	2,25,000	3,75,000
Expected Cash flows	0.909	1	1,00,000	2,00,000
	0.826	2	75,000	1,50,000
	0.751	3	50,000	1,00,000
	0.683	4	50,000	20,000
	0.621	5	20,000	-

Suggest which proposal can be selected.

SECTION-D

(1×15=15)

(Compulsory)

16. The following balances were extracted from the books of Shri. Krishna as on 31.12.2010. Prepare final balances.

Debit Balances	Rs.	Credit Balances	Rs.
Plant & machinery	2,00,000	Capital	8,00,000
Wages	3,45,000	Creditors	4,45,000
Salaries	1,58,000	Bank loan	1,50,000
Furniture	1,00,000	Purchase returns	27,400
Freight on purchases	18,600	Sales	25,08,500
Freight on sales	21,400	Provision for bad debts	20,000
Building	2,50,000		
Manufacturing expenses	95,000		
Insurance and tax	42,500		
Goodwill	2,50,000		
General expenses	82,000		
Factory fuel and power	12,800		
Debtors	7,82,000		
Factory lighting	9,500		
Opening stock	3,42,000		
Motor car	1,20,000		
Purchases	10,20,000		
Sales returns	31,000		
Bad debts	14,000		
Interest and banks charges	4,000		
Cash in hand	11,200		
Total	39,51,000		39,51,000

Adjustments:

1. Stock on hand on 31.12.2010 was valued at Rs. 3,05,000
2. Depreciate plant by 10% furniture by 5% and motor car by rs.10, 000.
3. Bring provision for bad debts to 5% on debtors.
4. A commission of 1% on the G.P is to be provided for works manager.
5. A commission of 2% on N.P (after charging the works manager commission) is to be credited to general manager.

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