

8. The actual ratios of the company compared to industry standard are given below. Comment on each ratio and indicate the nature of action to be taken by company as per your judgement. 14

Ratio	Industry standard	Actual for the company
Current Ratio	1.95 : 1	2.25 : 1
Return on Investment (ROI)	17%	14%
Stock Turnover Ratio	12	10
Debtors turnover Ratio	15	15
Leverage Ratio	2 : 1	1.5 : 1
Interest Coverage Ratio	09	12
P/E Ratio	10	15

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Roll No. ....

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**M.B.A. EXAMINATION, Dec. 2017**

(First Semester)

(Re-appear Only)

MBA-105

**FINANCIAL ACCOUNTING FOR  
MANAGERS**

*Time : 3 Hours]*

*[Maximum Marks : 70*

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

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**Note :** Attempt *Five* questions in all, selecting at least *one* question from each Unit. All questions carry equal marks.

### Unit I

1. What do you understand by financial statements of a company ? Explain the utilities of financial statements for various stakeholders of company.

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2. Explain the relevance of the following accounting principles with examples : 4+4+6

- (a) Realisation Concept
- (b) Cost Concept
- (c) Matching Concept.

### Unit II

3. List out the various contents of Director's and Audit Reports which reflects the performance and truthfulness of company during the financial year.

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4. Differentiate Profit and Loss Account and Balance Sheet with their objectives. Numerical examples should be the part of your answer.

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### Unit III

5. XYZ Ltd. purchased a Machine on 01/04/2007 for Rs 4,70,000 and installed at a cost of Rs 30,000. On 01/10/2008, it purchased another machine for Rs 2,00,000 and on 01/10/2009 it sold off the first machine purchased in 2007 for Rs 3,80,000. On the same date it purchased a machinery for Rs 2,90,000. On 01/10/2010, the second machinery purchased Rs. 2,00,000 was sold off for Rs. 80,000 Prepare Machinery Account for the period 2007 to 2011 by providing Written down method of depreciation with 15% p.a. rate depreciation on 31<sup>st</sup> March.

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6. What are the objectives of inventory valuation ? Explain any *two* methods of inventory valuation with their relevance and example.

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### Unit IV

7. What is the purpose of the statement of fund flows ? Explain the procedures for development of fund flow statement with examples.

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P.T.O.