

AA353

M.B.A. EXAMINATION, 2020

(First Semester)

FINANCIAL ACCOUNTING FOR MANAGERS

MBA-105

Time : 3 Hours]

[Maximum Marks : 70

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.

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

Unit I

1. What are accounting concepts and conventions ? Explain the major conventions followed in the preparation of a accounting statement.
2. Define the term accounting standards. Explain, how are they used in the preparation of final statements ?

Unit II

3. Give format of Cash flow statement along with the methods of calculating cash from operations.

4. The following balances appear in the books. You are asked to prepare trial balance :

Capital Rs. 23,900	Insurance premium Rs. 200
Machinery Rs. 10,000	Rent received in advance Rs. 500
Interest on investment Rs. 1,000	Loan from Rama & Company Rs. 10,000
Rent and Taxes Rs. 500	Stock Rs. 500
Debtors Rs. 6,000	Bank Rs.15,000
Machinery Rs. 200	Cash Rs. 500
Wages Rs. 500	Drawings Rs. 500
Salaries Rs. 1,000	Furniture Rs.1000
Purchases Rs. 1,500	Sales Rs. 2,000

Unit III

5. Differentiate between the tangible and intangible assets. Explain the different examples of intangible assets.
6. What are the different methods of evaluating Goodwill ? Explain the net profit and super-profit method with an example.

Unit IV

7. Discuss in detail concepts, nature and limitations of financial statements. What are the latest techniques of financial statement analysis ?
8. From the following particulars pertaining to Assets and Liabilities of a company calculate :
- (a) Current Ratio
 - (b) Liquid Ratio
 - (c) Proprietary Ratio
 - (d) Debt-Equity Ratio
 - (e) Capital Gearing Ratio.

Liabilities	Rs.	Assets	Rs.
5000 Equity Share of Rs. 10 each	5,00,000	Land and Building	6,00,000
8% 2000 Pre Shares of Rs. 100 each	2,00,000	Plant and Machinery	5,00,00
9% 400 Debentures of Rs. 100 each	4,00,000	Debtors	2,00,000
Reserves	3,00,000	Stock	2,40,000
Creditors	1,50,000	Cash and Bank	55,000
Bank Overdraft	50,000	Prepaid Expenses	5,000
	<u>16,00,000</u>		<u>16,00,000</u>