June - 2008

Roll No. .........................

# Subject Code—9638-X

## M. B. A. EXAMINATION

(First Semester)

(Re-appear)

(3 Years—Old Scheme)

MBA-104

FINANCIAL AND MANAGEMENT ACCOUNTING

*Time : 3 Hours*                     *Maximum Marks : 70*

**Note :** Attempt any *Five* questions. All questions carry equal marks.

1. (a) Discuss nature and role of accounting.

   (b) Prepare accounting equation from the following :

      (i) Started business with cash Rs. 75,000 and goods Rs. 25,000.

(ii)  Paid for Rent Rs. 2,000.

(iii) Bought goods for cash Rs. 30,000 and on credit for Rs. 44,000.

(iv)  Goods costing Rs. 50,000 sold at a profit of 25%, out of which Rs. 27,500 received in cash.

2.  Name the three types of accounts. Give their respective rules of journalising the transactions. How does a Cash Book serve 'Dual Purpose' ? Why the Cash Book always shows a debit balance ?

3.  (a)  A company had bought machinery for Rs. 1,00,000 including therein a boiler worth Rs. 10,000. Depreciation was charged on reducing balance method at the rate of 10% p.a. for first five years and machinery account was credited accordingly. During the fifth current year, the boiler became useless on account of damages to some of its vital parts. The damaged boiler is sold for Rs. 2,000. Prepare the machinery account for five years.

(b)  State differences between 'Straight line method' and 'Written down value method' of providing depreciation.

4.  What are the objects of preparing a Balance Sheet ? Prepare a Trading and P and L Account and a Balance Sheet with the help of imaginary figures of a Joint Stock Company.

5.  Write notes on the following :

(a)  Cost Sheet

(b)  Opportunity Cost

(c)  Incremental Cost

(d)  Variable Cost

(e)  Direct Cost

(f)  Process Costing.

6.  Discuss various techniques used for analysis of financial statements by giving their suitability, merits and limitations.

7. Differentiate the following :

    (a) Fixed budgeting and Flexible budgeting

    (b) Zero base budgeting and Performance budgeting.

8. Discuss meaning, applications and limitations of Break-even Analysis. Give examples of its uses.