

Register Number :

Name of the Candidate :

**6 2 8 1**

**M.B.A. ( E-Business )  
DEGREE EXAMINATION, 2010**

( FIRST YEAR )

( PAPER - IV )

**140. FINANCIAL AND MANAGEMENT  
ACCOUNTING**

December ] [ Time : 3 Hours

Maximum : 75 Marks

**SECTION – A** (5 × 3 = 15)

*Answer any FIVE questions.*

*All questions carry equal marks.*

1. Who are the users of balance sheet and profit and loss account?
2. What do you mean by current liabilities?
3. What do you mean by Marginal cost?
4. What is meant by P/V ratio?

**Turn Over**

5. What do you understand by cash from operation?
6. What is meant by Break Even Analysis?
7. What is meant by Cash budget?
8. Write a short note on zero base budgeting.

**SECTION – B** (3 × 15 = 45)

*Answer any THREE questions.*

*All questions carry equal marks.*

9. Explain the importance's of Management Accounting and Financial Accounting.
10. Analyse the difference between Trading Account and Financial Accounting.
11. There are two alternative proposals for investment - 'A' and 'B'. Prepare a statement of profitability showing the pay -back period from the following information:

	Machine-A	Machine-B
Estimated life of machine	5 Years	4 years
Cost of Machine	Rs.36,000	Rs.18,000
Estimated savings in		
(i) Direct Wages	Rs.16,000	Rs.12,000
(ii) Scrap	Rs.1,600	Rs.1,000
Additional		
Cost of maintenance	Rs.2,000	Rs.600
Cost of Supervision	Rs.3,600	Rs.2,400

12. Evaluate the nature and functions of budgetary control.
13. Analyze the methods in estimating the working capital requirements.

**SECTION – C** (1 × 15 = 15)  
( Compulsory )

The following Trial Balance was taken from the books of Mr. Balan on 23-12-2009. You are required to make the following adjustments before the preparation of Trading and Profit and

**Turn Over**

Loss accounts and Balance sheet.

- (a) 10% depreciation off plant and machinery.
- (b) 5% depreciation off furniture and fixtures
- (c) The reserve for bad debts to be made up to 5% on debtors.
- (d) Rent accrued but not received amounts to Rs.30.
- (e) Insurance unexpired amounted to Rs.30
- (f) Stock at 31st December, 2009 was valued at 14,500.

TRIAL BALANCE

	Rs.		Rs.
Freehold Premises	15,000	Capital	50,000
Purchases	27,000	Commission	4,000
Bad debts	250	Discounts	300
Rates and Insurance	300	Returns outwards	800
Manufacturing wages	8,400	Sundry Creditors	6,200
Stock (1st Jan.2009)	9,600	Bills payable	1,500
C/f.		C/f.	
b/f.		b/f.	
Returns Inward	500	Reserve for doubtful debts (1.9.2009)	350
Sundry debtors	10,000	Miscellaneous receipts	50
Fuel and power	1,200	Sales : Cash	43,000
Goodwill	30,000		
Furniture and fixtures	4,000		
Cash on hand	1,050	Credit	30,000
Cash at Bank	7,500		
Office Salaries	1,200		
Plant & Machinery	20,000		
	1,36,200		1,36,200