

M. A. (ENTREPRENEURSHIP) (MAER)

Term-End Examination

December, 2022

MER-008 : FINANCE AND ACCOUNTING

Time : 3 hours

Maximum Marks : 100

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

1. Define Accounting. Discuss the role and activities of an accountant and accounting personnel. 20

2. Explain the Continuity concept and the Consistency concept. What is their significance in accounting ? How does inconsistency open the doors for manipulation of reported income and assets ? Explain. 20

3. Discuss the classification of items appearing in the Balance Sheet in detail. 20

4. Differentiate between the following : 4×5=20
 - (a) Net working capital and Gross working capital
 - (b) Financial accounting and Management accounting
 - (c) Opportunity cost and Variable cost
 - (d) Fixed budget and Flexible budget

5. Explain depreciation. What is the rationale behind making a provision for depreciation in the process of matching income and expenses ? 20
6. Discuss the importance of Cash and Cash flow statement. How is the length of the cash cycle determined ? How does the length of the cash cycle affect the requirement of working capital of a firm ? Discuss. 20
7. What do you understand by Zero-Based Budgeting ? Explain the steps involved in the process of zero-based budgeting. What are the advantages of zero-based budgeting ? 20
8. Write short notes on any **four** of the following : 4×5=20
- (a) Money Measurement Concept
 - (b) Cost Accounting
 - (c) Accounts Receivable
 - (d) Rolling Budget
 - (e) Break-Even Analysis
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