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MANAGEMENT PROGRAMME (MP)

Term-End Examination

June, 2024

MS-04 : ACCOUNTING AND FINANCE FOR MANAGERS

Time : 3 Hours

Maximum Marks : 100

Weightage : 70%

Note : Attempt any **five** questions. All Questions carry **equal** mark's.

1. Briefly explain the following :
 - (a) Continuity concept.
 - (b) Accrual concept
 - (c) Consistency concept
 - (d) Periodicity concept.
2. (a) What do you understand by the term 'provisions'? For what purpose are provisions made and how are they shown in Final

P.T.O.

Accounts? Why are pre-paid expenses and Net loss shown on the asset side of the balance sheet ?

- (b) What is 'Depreciation' ? Describe the methods used for charging depreciation and discuss the rationale behind making a provision for depreciation in the process of matching income and expensess.
3. What do you understand by cost ? Explain its different elements and describe cost classification.
4. What is Financial Leverage ? How is it measured ? Explain how does the use of financial leverage affects the break even point.
5. What is zero Based Budgeting ? Explain the process and advantages of Zero Base Budgeting and also discuss the inter linkage between performance Budgeting and Zero Base budgeting.
6. Explain the various types of Investment Proposals? Discuss the various aspects covered in a Project Report and describe Internal Rate of Return (IRR) technique of investment appraisal.

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7. What is operating Cycle ? Describe the determinants of working capital needs and discuss the approaches to managing working capital.
8. The ratio of variable cost to sales is 70%. The break even point occurs at 60% of the capacity sales. Find the capacity sales when fixed costs are Rs. 90,000. Also complete the profit at 75% of the capacity sales.
