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**MASTER OF BUSINESS
ADMINISTRATION (RETAIL)
(MBARS)**

Term-End Examination

December, 2011

**MRS-006 : COMMERCIAL ACCOUNTING AND
FINANCIAL MANAGEMENT**

Time : 3 hours

Maximum Marks : 100

Note : *Attempt any Five questions.*

1. "Knowledge of accounting and financial management is very useful in making decisions in an organisation." Do you agree? How would you contribute to better planning and control through accounting and finance data? Give appropriate examples. 20
2. State the meaning and importance of 'working capital' in an organisation. What are the major objectives of working capital management? Briefly state the various methods of working capital management. 20
3. State the meaning and importance of 'budgetary control'. How is a budget prepared? Explain the role of 'zero - base budgeting' in this context. 20

4. Write in details the role, goal and functions of a finance manager. What is his status in a modern organisation ? 20
5. Explain the meaning and importance of 'financial statement analysis'. State the various methods that are used for this purpose. Which ratios would you calculate to ascertain the profitability of an organisation ? Give appropriate examples. 20
6. State the importance of 'Generally Accepted Accounting Principles' in preparing the financial statements. Briefly explain the important accounting concepts and conventions. 20
7. (a) "The effect of a price reduction is to raise the break - even point, reduce the p/v ratio and to shorten the margin of safety." Explain with the help of an example. 10
- (b) If fixed cost per annum is Rs. 6 lacs, variable cost per unit is Rs.100, selling price per unit is Rs. 250 and the quantity sold per year is 5,000, find out (i) Break - even point (ii) the p/v ratio, (iii) the contribution and (iv) the margin of safety. 10

8. Write short notes on *any two* of the following :

- (a) Funds Flow Statement and uses. 4x5=20
- (b) Inventory Management.
- (c) Tally system of accounting.
- (d) Trial Balance.
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