

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

Term-End Examination

June, 2011

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

Time : 3 hours

Maximum Marks : 100

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

1. (a) Distinguish between 'financial accounting', 8,6,6 'Management Accounting' and 'cost accounting' with the help of appropriate examples.
(b) State the objectives of financial management.
(c) Outline the system of double entry book - keeping.

2. Explain the meaning of the terms 'budget' and 'budgetary control'. How is a 'budget' different from a 'standard cost' ? How is a budget prepared in an organisation ? **4,6,10**

3. How would you use the techniques of Management Accounting for the purposes of planning, control and decision - making ? Clarify your view point by taking appropriate examples. **20**
4. What do you understand by the term ' financial statement analysis' ? Why is this kind of analysis undertaken ? What ratios would you calculate to find out the profitability of an organisation ? **4,6,10**
5. Outline the meaning, constituents and objectives of 'working capital management'. How would you carry out the inventory management in your organisation ? **12,8**
6. State the meaning and need for 'generally accepted accounting principles'. Describe the major accounting concepts and conventions with the help of appropriate examples. **6,14**
7. (a) State the effect of a price reduction on the break - even point, P/V ratio and the margin of safety with the help of an example.
- (b) From the following data, calculate : **8,12**
- (i) P/V Ratio
 - (ii) Sales required to earn a profit of Rs. 5 Lacs
 - (iii) Profit when sales are Rs. 10 Lacs :

	<u>Sales</u>	<u>Profit</u>
Period 1	Rs. 20 lacs	Rs. 2 lacs
Period 2	Rs. 30 lacs	Rs. 4 lacs

8. Write short notes on **any Two** of the following : **10,10**
- (a) Computerised Accounting
 - (b) Financial Planning
 - (c) Funds Flow Statement
 - (d) Retail Accounting