

**MASTER OF BUSINESS ADMINISTRATION
(MBAEV)**

Term-End Examination

December, 2013

MCN-036 : ACCOUNTING FOR MANAGERS

Time : 3 hours

Maximum Marks : 100

Note : Attempt any five questions.

1. Define Financial Accounting. Discuss the functions and limitations of financial accounting. 20
2. Write short notes on the following : 5+5+5+5=20
 - (a) Revenue Recognition concept
 - (b) Going concern concept
 - (c) Materiality concept
 - (d) Consistency concept
3. What is meant by accounting standards ? State the objectives and limitations of Indian accounting standards. 20
4. What do you mean by Financial Statements ? Discuss the nature and contents of financial statements. 20
5. From the following transactions, prepare a trial Balance. 20
 - (a) Business started with a capital of Rs. 5,00,000
 - (b) Goods purchased Rs. 3,50,000
 - (c) Goods sold on credit Rs. 1,00,000
 - (d) Furniture purchased Rs. 70,000
 - (e) Cash Received from debtors Rs. 20,000
 - (f) Rent paid Rs. 30,000
 - (g) Commission Received Rs. 10,000

6. Give a performa of trading and profit or loss Account and Balance Sheet using imaginary figure. Discuss their importance as well. 20
7. From the following Balance Sheet of M/s Rahul Brother Pvt. Ltd. for the year 2010 and 2011, Prepare a cash flow statement. 20

| Liabilities | | | Assets | | |
|--------------------|----------|----------|------------------|----------|----------|
| | 2010 | 2011 | | 2010 | 2011 |
| 12% Debentures | - | 1,00,000 | F.Assets | 4,10,000 | 4,00,000 |
| Equity Shares | 4,00,000 | 4,00,000 | - depreciation | 1,10,000 | 1,50,000 |
| Reserves | 20,000 | 20,000 | | 3,00,000 | 2,50,000 |
| P/L A/C | 10,000 | 10,000 | Debtors | 2,00,000 | 2,40,000 |
| Creditors | 1,20,000 | 1,10,000 | Stock | 3,00,000 | 3,50,000 |
| Prov. for Taxation | 30,000 | 42,000 | Prepaid Expenses | 3000 | 5,000 |
| Prop. Dividend | 50,000 | 58,000 | Cash | 12,000 | 35,000 |
| Bank overdraft | 1,25,000 | 68,000 | | | |
| Loan (long-term) | 60,000 | 70,000 | | | |
| | 8,15,000 | 8,78,000 | | 8,15,000 | 8,80,000 |

8. What do you understand by analysis of financial statements ? Describe the uses of such analysis. 20
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