

**MASTER OF BUSINESS ADMINISTRATION
(NETWORK INFRASTRUCTURE
MANAGEMENT)
(MBANIM)**

00662

**Term-End Examination
December, 2010**

**MCR-002 : ACCOUNTING AND FINANCE FOR
MANAGERS**

Time : 3 hours

Maximum Marks : 100

Note : Answer any five questions. All questions carry equal marks.

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1. (a) Define break-even point. How would you compute the break-even point ? 10
(b) Illustrate the impact of changes in fixed costs and selling price on cost-volume profit relationships. 10

 2. Is there any interface between strategy and the capital budgeting system ? Why should capital budgeting be seen within a strategic perspectives ? 20

 3. How can the appropriate level of operating cash balance be determined ? How does uncertainty affect this problem ? 20

4. "The primary purpose for which a firm exists is the payment of dividend. Therefore, irrespective of the firm's needs and the desire of shareholders, a firm should follow a policy of very high dividend payout'. Do you agree ? Why or why not ? 20
5. Differentiate between the following. 10
- (a) Joint product and By Product 10
- (b) Variable cost and Fixed cost 10
6. Write short notes. 10
- (a) Zero Base Budgeting 10
- (b) Multi-shift operation 10
7. 'Setting the standards, is the most difficult part of standard costing'. What considerations should be taken into account when setting standard ? 20
8. The cash flows were extracted from the accounts of Biztantra, a music shop. 20

Loan Repaid.	25,000		
Sale of Property.	25,000	Purchase of office equipment	15,000
Interest Received.	1150	Interest paid	350
Payment to Employees	55,000	Payment to suppliers item	1,75,000
Receipts from customer	2,50,000	Expenses paid.	10,000

Prepare a cash flow statement using the direct method for the year ended 31 December 2010.