

Register Number :

Name of the Candidate :

**2 3 5 6**

**M.B.A. ( E-Business )  
DEGREE EXAMINATION, 2011**

( FIRST YEAR )

( PAPER - IV )

**140. FINANCIAL AND MANAGEMENT  
ACCOUNTING**

May ]

[ Time : 3 Hours

Maximum : 75 Marks

**SECTION – A** (5 × 3 = 15)

*Answer any FIVE questions.*

*All questions carry equal marks.*

1. Define Management Accounting.
2. What is meant by Comparative Statement?
3. What do you mean by Capital Budgeting?
4. What is meant by Break Even Point?
5. What are the objectives of Reports?

**Turn Over**

- 6. What do you understand by Marginal costing?
- 7. What are the limitations of ratios?
- 8. What is meant by working capital?

**SECTION – B** (3 × 15 = 45)

*Answer any THREE questions.  
All questions carry equal marks.*

- 9. Explain the differences between Management accounting and Financial accounting.
- 10. Explain the different techniques of interpreting financial statements.
- 11. A Firm is considering the purchase of a machine. Two machines A and B are available. Cash costing ₹ 50,000. In comparing the profitability of those machines, a discount rate of 10% is to be used. Earnings after taxation are expected to be as follows:

- 15. 2 ½ % of the Profits is to be carried to reserve fund.

	Dr	Cr	₹
Capital A/c.	50,000		
Plant and machinery	80,000		
Sales		1,77,000	
Purchases	60,000		
Returns	1,000		
Opening stock	30,000		
Discount	350		
Bank charges	75		
Sundry debtors	45,000		
Sundry creditors		25,000	
Salaries	6,800		
Manufacturing wages	10,000		
Carriage in	750		
Carriage out	1200		
Bad debts provision		525	
Rent, Rates and Taxes	10,000		
Advertisements	2,000		
Cash in hand	900		
Cash at Bank	6,000		
Bills Payable		750	
	2,54,075	2,54,075	

**SECTION – C**    (1 × 15 = 15)  
( *Compulsory.* )

14. On 31<sup>st</sup> March, 2009, the following Trial Balance was extracted from the books of Balaji. You are asked to prepare the final accounts for the year ended 31<sup>st</sup> March, 2009 and the Balance Sheet as on that date. The following adjustments are required:
- (1) Closing Stock ₹ 35,000.
  - (2) Depreciation of Plant at 6%.
  - (3) Bad Debts Provision to be adjusted to ₹ 500.
  - (4) Interest on Capital to be allowed at 5% p.a.

Year	Cash Inflow		PV Factor at 10%.
	Machine-A ₹	Machine-B ₹	
1	15,000	5,000	0.909
2	20,000	15,000	0.826
3	25,000	20,000	0.751
4	15,000	30,000	0.683
5	10,000	20,000	0.621

- Evaluate the Projects using.
- (a) The pay back method.
  - (b) The Accounting Rate of Return (ARR).

12. Briefly analyse the classification of ratios.
13. What are the Procedure in preparation of the Master Budget?