2008 BHARATHIAR UNIVERSITY M.B.A

M.B.A DEGREE EXAMINATION , JUNE 2008
FIRST YEAR
ACCCOUNTING AND FINANCE FOR MANAGERS

Reg.No:___________
D2092 Q.P Code :[07 DMB 01]

Answer any Five Questions

1.what are accounting concepts?Explain the role of accounting concepts in the preparation of accounting statements.

2.what are break-even analysis?Explain its uses and limitations.

3.Explain the different sources and features of long term features.

4.discuss the merits and demerits of different techniques used in evaluating capital investment projects.
5.what factors a financial manager generally consider while estimating working capital requirements of a firm?
6.From the following balance sheet of Aravind Ltd. On 31st December 2005 and 2006,

you are required to prepare :

a. a schedule of changes in working capital
b. a funds flow statement.

Liabilities 2005
Rs 2006
Rs Assets 2005
Rs 2006
Rs
Share capital 100000 100000 Goodwill 12000 12000
General reserve 14000 18000 Building 40000 36000
P & L a/c 16000 13000 Plant 37000 36000
Creditors 8000 5400 Bills receivable 2000 3200
Bills payable 1200 800 Debtors 18000 19000
Provision for taxation 16000 18000 Cash at bank 6600 15200
Provision for doubtful debts 400 600 Investments 10000 11000
Stock 30000 23400

155600 155600 155600 155600

The following additional information also has been given:

i. Depreciation charged on plant was Rs.4000 and on building was Rs. 4000.

ii. Provision for taxation of Rs. 19000 was made during the year 2006.

iii. Interim dividend of Rs.8000 was paid during the year 2006.

7. comment on the financial position of the company from the following balance sheet.

Balance sheet of Raj Ltd. As on 31.12.2007

Liablities Rs Assets Rs
Equity share capital 200000 Goodwill 120000
Reserves 40000 Fixed Assets 280000
Profit and loss a/c 60000 Stock 80000
Secured loans 160000 Debtors 40000
Creditors 100000 Bills receivable 20000
Provision for tax 40000 Cash 60000
600000 600000

8.from the following information relating to X Ltd.
You are required to calculate :
a. P/V ratio
b. Break even point
c. Profit
d. Margin of safety
e. Volume of sales to earn profit of Rs. 6000

Rs
Total fixed costs 4500
Total variable cost 7500
Total sales 15000