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**Question Paper Code : 86506**

M.B.A. DEGREE EXAMINATION, MAY/JUNE 2012.

First Semester

BA 9206/571106/BA 916/UBA 9106/10488 MB 107 – ACCOUNTING FOR  
MANAGEMENT

(Regulation 2009)

Time : Three hours

Maximum : 100 marks

Answer ALL questions.

PART A — (10 × 2 = 20 marks)

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1. What is the position of Ledger in Book- keeping?
  2. Define Inflation Accounting.
  3. What is Preferential Allotment?
  4. Write Adjustments relating to the company final accounts.
    - (a) Interest outstanding on Debentures
    - (b) Preliminary Expenses.
  5. Write the importance of Analysis and Interpretation of Financial Statements.
  6. Define
    - (a) Earnings per share (EPS)
    - (b) Return on assets ratio (ROA).
  7. Write about Activity Based Costing.
  8. What is Idle Time Variance?
  9. Write the advantages of computerized Accounting System.
  10. Write the advantages of Codification.

PART B — (5 × 16 = 80 marks)

- I
11. (a) What is the nature of Accounting? In what ways accounting information is useful to Creditors, Investors and employees of a business enterprise?

Or

- I
- (b) Explain the importance of various Accounting Concepts and Conventions.

12. (a) Pallav Hotels limited offered 1,00,000 Equity shares of the nominal value of Rs. 10 each for public subscription at Rs. 12.  
The amounts payable on the shares were on application Rs.4.50; On allotment (including premium) Rs.4.50; On first and final call Rs.3.00.  
The actual subscription was only for 90,000 shares. All money payable for share holders was received except from Sudhakar who had taken 1,000 shares but failed to pay the final call. His shares were forfeited and Re-issued to prabhakar at Rs. 6 each.  
Show Journal entries in the books of company in respect of the above (Including cash transactions).

Or

- (b) Write Short Notes on:  
(i) Buy Back of Securities  
(ii) Employees Stock Option  
(iii) Statutory books  
(iv) Shares allotted on Prorata basis.

13. (a) From the following balance sheets, You are required to prepare a funds flow statement.

BALANCE SHEET					
Liabilities	31.12.09	31.12.10	Assets	31.12.09	31.12.10
Share capital	10,000	15,000	Fixed assets	10,000	20,000
Provision for tax	2,000	3,000	Current assets	13,000	14,500
Proposed dividend	1,000	1,500			
Profit and loss A/c	4,000	6,000			
Trade creditors	4,000	6,000			
Outstanding expenses	2,000	3,000			
	<u>23,000</u>	<u>34,500</u>		<u>23,000</u>	<u>34,500</u>

Additional information:

- (i) Dividend paid during 2010 is Rs. 2,000.  
(ii) Tax paid during 2010 is Rs. 2,500

Or

- (b) Explain the sources of funds and applications of funds to be presented in Fund Flow statement.
14. (a) The sales turnover and profit during two years were as follows:
- | Year | Sales (Rs) | Profit (Rs) |
|------|------------|-------------|
| 2000 | 1,40,000   | 15,000      |
| 2001 | 1,60,000   | 20,000      |
- You are required to calculate:
- (i) P/v Ratio  
(ii) Sales required to earn a profit of Rs. 40,000  
(iii) Profit when sales are Rs. 1,20,000.

Or

- (b) "Cost Accounting is an essential tool of Management". Give your comments on the Statement.

15. (a) Discuss the significance of computerized accounting system.

Or

- (b) Explain the importance of prepackaged Accounting Software.

