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**Question Paper Code : 40335**

**M.B.A. DEGREE EXAMINATION, MAY/JUNE 2016**

**First Semester**

**BA 7106 – ACCOUNTING FOR MANAGEMENT**

**(Regulations 2013)**

**Time : Three Hours**

**Maximum : 100 Marks**

**Answer ALL questions.**

**PART – A (10 × 2 = 20 Marks)**

1. What is Inflation accounting ?
2. What are the items presented in the Balanced Sheet ?
3. Define Preferential allotment.
4. What is a company ?
5. What are financial statements ?
6. What is the difference between cash flow and funds flow statements ?
7. State the Nature of accounting software.
8. Write the meaning of computerized accounting.
9. What is accounting codification ?
10. What is Hierarchy of Ledgers ?

**PART – B (5 × 13 = 65 Marks)**

11. (a) Discuss the importance of human resource accounting.

**OR**

- (b) Explain various accounting principles, concepts and conventions.

12. (a) What is preferential allotment and explain its procedure ?

**OR**

- (b) Discuss the employees' stock option schemes and its financial implications to the company.

13. (a) Explain in brief the steps involved in analyzing financial statements.

**OR**

- (b) Which ratio will you calculate for the following purposes :

(i) Financial analysis for investors in equity shares.

(ii) Financial analysis for short-term creditors.

(iii) Financial analysis for long term creditors.

14. (a) What is activity based costing and explain its importance ?

**OR**

- (b) Find out the joint cost of product A, B and C using average unit cost method from the following data :

(1) Pre-separation joint cost ₹ 60,000/-

(2) Production data :

Products	Units produced
A	500
B	200
C	300

15. (a) Discuss the importance of computerized accounting system in modern business organisation.

**OR**

- (b) Discuss the prepackaged accounting software mechanisms.

**PART – C (1 × 15 = 15 Marks)**

**Case Study**

16. (a) Using the following accounts and balances taken from a year-end balance sheet, compute working capital and the current ratio :

Account payable	₹ 7,000
Accounts receivable	10,000
Cash	4,000
Common shares	20,000
Marketable securities	2,000
Trading inventory	12,000
Loan payable in three years	13,000
Property, plant and equipment	40,000
Retained earnings	28,000

**OR**

(b) For the year ended December 31, 2004, C Company, maker of electrical connectors and fuses had ₹ 75,000/- of cash provided by operations. Depreciation expense for the year was ₹ 7,500/- and the company incurred a loss of ₹ 1,000/- on the sale of equipment. The cash flow statement prepared for management reported total uses of funds of ₹ 2,45,860/-. Following are data on the company's current asset and liabilities account balances:

	31-12-2005	31-12-2004
	₹	₹
Cash	36,800	33,940
Accounts Receivables	49,000	40,000
Merchandise	63,000	64,500
Prepaid expenses	19,460	19,460
Accounts payable	59,800	56,800
Accrued expenses	37,500	40,500
Taxes payable	29,750	29,750

Calculate the company's net income for 2005 and the amount of cash provided by sources other than operations.