



Printed Pages : 4

MBR – 202

(Following Paper ID and Roll No. to be filled in your Answer Book)

PAPER ID : 7228

Roll No.

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**MBA (RD)**

**(SEM. II) EXAMINATION, 2006-07**

**ACCOUNTING FOR MANAGEMENT**

*Time : 3 Hours]*

*[Total Marks : 100*

*Note : Attempt all questions, All questions carry equal marks.*

**1. Answer any two questions : 10×2=20**

- (i) 'Accounting method, at all times, confirms to an algebraic equation.' Discuss.
- (ii) Discuss four major Accounting concepts.
- (iii) What is Trial Balance? Discuss the errors that are not disclosed by preparing a Trial Balance.

**2 Answer any two questions 10×2=20**

- (i) Compare the Diminishing Balance Method with Straight Line Method of Depreciation by giving a suitable example.

- (ii) The building account of a college stands in the books at Rs. 70,50,000. The following expenses were incurred on the building. State with explanation whether they are capital or Revenue expenditure.
- (a) Construction of students common room Rs. 60,000.
  - (b) Repair of benches and tables, Rs. 4,500.
  - (c) White washing of building Rs. 10,500.
  - (d) Pulling down an old structure and rebuilding it Rs. 40,500.
  - (e) Wages paid for rebuilding the structure Rs. 10,000.

**3** Answer any **four** questions **5×4=20**

- (i) What are the important points that should be kept in mind while preparing an Income and Expenditure account?
- (ii) Point out the various types of incomes for a students hostel.
- (iii) What are the differences between Receipt and Payment account and Income and Expenditure Account?
- (iv) How would you convert a receipt and payment account into income and expenditure account?
- (v) How would you treat these items:
  - (a) Sale of an asset
  - (b) Entrance fee
- (vi) Distinguish between a Trading and Non-profit concern.

- 4** Answer any **four** questions **5×4=20**
- (i) Who requires the interpretation of Financial Statements and why?
  - (ii) Discuss the objectives of Cash Flow Statement.
  - (iii) Why is it necessary to prepare a Funds Flow Statement in addition to Financial Statements.
  - (iv) What is Current Ratio? What are its limitations?
  - (v) What are the uses of Activity Ratios for a company?
  - (vi) Discuss the differences between Balance Sheet and Funds Flow Statement.

- 5** Answer any **four** questions: **5×4=20**
- (i) Discuss the problems and limitations of Human Resource Accounting.
  - (ii) What is Human Resource Accounting? Give briefly the objectives of this system.
  - (iii) Distinguish between the opportunity cost approach and standard cost approach.
  - (iv) What is inflation accounting? What are its disadvantages?
  - (v) What is price level accounting? What does it achieve? Which conventional accounting fails to achieve?

(vi) The ratios relating to Campa Co. Ltd. are given as follows:

Gross Profit Ratio 15 per cent

Stock velocity 6 months

Gross profit for the year ending 31st December 2000 amounted to Rs. 6000

Closing stock is equal to opening stock

Find out:

Sales and Closing Stock.

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