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 5x4=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 5x4=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: 5x4=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.