

Code: 9E00103

MBA I Semester Regular & Supplementary Examinations, March 2013

**FINANCIAL ACCOUNTING FOR MANAGERS**

Time: 3 hours

Max Marks: 60

Answer any FIVE questions  
All questions carry equal marks

\*\*\*\*\*

- 1 What are accounting concepts and conventions?
- 2 Prepare journal and post them into ledger:

01.01.2002	James started business with cash	Rs 5000
01.01.2002	Furniture	Rs 2000
01.01.2002	Machinery	Rs 3000
01.01.2002	Loan taken from his uncle	Rs 5000
03.01.2002	Goods purchased from Sundaram & Co	Rs 1000
04.01.2002	Sold goods to Rama Rao	Rs 5000
31.01.2002	Rama Rao became insolvent and hence received only 5% of debt from his property remaining amount is taken as bad debt.	
- 3 Explain the following:
  - (a) Diminishing balance method of depreciation.
  - (b) Annuity method of depreciation.
- 4 What is inventory? State the objectives of inventory valuation?
- 5 D. Ltd issued 1000, 12% debentures of Rs 100 each on January 1, 2002, interest is payable on June 30 and December 31 every year. On April 1, 2003, the company purchased 100 of its debentures at Rs 98 ex-interest for immediate cancellation. On October 1, 2003, the company purchased another 100 of its debentures at Rs 98 cum - interest and cancelled them immediately. The company closes its books of accounts on December 31 every year pass the necessary Journal Entries show the balance sheet as on 31/12/2003.
- 6 What is cash flow concept of the term 'funds'? How is funds flow statement prepared under this concept?
- 7 Describe the significance and interpretation of ratios.
- 8 Describe in brief the major requirements of accounting standards related to valuation of inventories and depreciation accounting.

\*\*\*\*\*