

UTTARAKHAND OPEN UNIVERSITY, HALDWANI (NAINITAL)



Programme Name-MBA-First Semester/Diploma in Management –First Semester

Programme Code-MBA-13/DIM-10

Course Name-Accounting and Finance for Managers

Course Code-CP1001

Maximum Marks-40

Session -2014-15, Summer

Last Date of Submission: 31st January, 2015

Section-A

Section ‘A’ contains 08 short answer type questions of 5 marks each. Learners are required to answer 4 questions only. Answers of short answer-type questions must be restricted to 250 words approximately.

Discuss the following (1-8) –

1. Functions of Accounting.
2. Dual Aspect Concept
3. Relationship between ‘Risk’ and ‘Return’.
4. Sources of short-term working capital.
5. Uses of preparing cash flow statement.
6. Optimum Capital Structure
7. Mr. Ramesh Kumar has the following balances as on 1st April 2013: Cash in hand Rs. 16,000 ; Cash at bank Rs 15,000 ;Office furniture Rs. 8,000 ; Due from Kishan Chand Rs. 7,000 , Due from Raghav Rs.15,000 ; Due from Ashwani Kumar Rs. 6,000.

Loan from Nirmal Kumar Rs.12,000 ; Due to Mohan Singh Rs. 6,800 ; Due to Ashok Mehta Rs. 11,200 ; Due to Ram Kumar Rs 2,000.

You are required to pass the Opening Entry and post these into the Ledger.

8. From the following data, calculate the Material Mix Variance:

	Standard Mix	Actual Mix
Material A	160 kgs.@ Rs.3 per kg	150 kgs.@ Rs.4 per kg.
Material B	40 kgs.@ Rs.5 per kg.	50 kgs.@ Rs.6 per kg.
	200 kgs.	200 kgs

Section-B

Section 'B' contains 04 long answer-type questions of 10 marks each. Learners are required to answers 02 questions only.

1. Discuss Corporate Financial Reporting. What are the objectives of Corporate Financial Reporting? Explain.
2. Monu Products Ltd. produces a standard product. The estimated cost per unit is given below:

	Rs.
Raw Material	10
Direct Wages	8
Direct Expenses	2
Variable Overheads	3

Semi –Variable overheads at 100% activity level (10,000 units) are expected to be Rs. 40,000 and these overheads vary in steps of Rs. 2,000 for each change in output of 1,000 units. Fixed overheads are estimated at Rs. 50,000. Selling price per unit is expected to be Rs.40.

Prepare flexible budget at 50%, 70%, and 90% level of activity.

2. Following is the trial balance of Mr Raj Singh as on 31st December 2013. You are required to prepare the Final Accounts.

Debit Balances	Rs.	Credit Balances	Rs
Purchases	28,000	Capital	50,000
Discount	2,000	Sales	70,000
Wages	10,000	Sundry Creditors	25,000
Salaries	7,000	Bills Payable	4,000
Carriage on purchases	8,000	Interest	5,000
Trade expenses	1,500	Reserve for doubtful debts	4,000
Buildings	50,000	Purchase returns	5,000
Machinery	10,000		
Sundry Debtors	17,000		
Stock (1.1.2013)	16,500		
Drawings	2,000		
Stationery	2,000		
Bills receivable	9,000		
	1,63,000		1,63,000

Adjustments:

1. Stock on 31st Dec., 2013 was Rs.28,800; (2) Depreciate Buildings by 5% and Machinery by 10% ; (3) Wages outstanding Rs. 2,000 ; (4) Bad Debts Rs. 2,000 ; create a new reserve for Bad and Doubtful Debts @10% ; (5) Interest on capital @ 5% and on Drawings @6% p.a.
4. Discuss Financial System. Explain its various components.