

Roll No.

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1010

TERM END EXAMINATION, 2007
M. B. A. (M. M.) (First Year)
ACCOUNTING AND FINANCE FOR
MANAGERS

Time : Three Hours

Maximum Marks : 70

Note : All questions are compulsory. All questions carry equal marks.

1. What is return ? Define risk. Why do risk and return go hand in hand ?

Or

Explain auditor's report and its relevancy to the accuracy of the financial statements.

2. Describe the six-step process that can be used to prepare a statement of cash flows by analysing the income statement and comparative balance sheet.

Or

Why is the capital structure of a company, as measure by debt and equity ratios of importance to financial statement analysis ?

P. T. O.

3. Explain the distinction between a direct manufacturing cost and an indirect manufacturing cost. Provide two examples of each type of cost.

Or

Define standard costs and briefly indicate how they may be used by management in planning and control ?

4. What do you understand by investment appraisal ? Explain the basic concepts of investment appraisal.

Or

What practical aspects the company has to look after when deciding its dividend policy ?

5. What are responsibility budgets ? What responsibility centres would serve as the basis for preparing responsibility sales budgets in a large service organisation like MTNL ?

Or

(a) Illustrate and explain working capital cycle with example.

(b) How would you invest surplus funds ?