Seat No.: _____ Enrolment No._____

GUJARAT TECHNOLOGICAL UNIVERSITY

MBA. Sem-I Remedial Examination April 2010

Subject code: 810001

Subject Name: Accounting for Managers

Date: 03 / 04 / 2010 **Time: 12.00 noon – 02.30 pm**

Total Marks: 70

Instructions:

1. **Attempt all questions.**
2. **Make suitable assumptions wherever necessary.**
3. **Figures to the right indicate full marks.**

Q.1	**(a)**	Describe briefly various steps of accounting process.	**07**
	(b)	Describe briefly various concepts of accounting.	**07**
Q.2	**(a)**	What are intangible assets? How is goodwill valued?	**07**
	(b)	Give abridged format of a corporate Balance sheet. Also give its statement form.	**07**
		OR	
	(b)	What are the contents of a corporate Governance report?	**07**
Q.3	**(a)**	Write a brief note on IFRS.	**07**
	(b)	Prepare an Accounting Policy Statement.	**07**
		OR	
Q.3	**(a)**	Describe the Provisions of the Companies Act. 1956 regarding accounts of a company.	**07**
	(b)	What are the various tools of financial statement analysis?	**07**
Q.4	**(a)**	What is the managerial need of a Cash Flow Statement? How is it prepared?	**07**
	(b)	How is Cash Flow Statement interpreted ?Explain Using imaginary data.	**07**
		OR	
Q.4	**(a)**	ABC Ltd. Co. purchased second hand machinery on April 1,1996 for Rs.3,70,000and installed it at a cost of Rs.30,000. On October 1, 1977, it purchased another machine for Rs.1,00,000 and on October 1,1998,sold off the first machine purchased in 1996, Rs.2,80,000. On the same date , it purchased machinery for Rs.2,50,000. On October 1, 1999, the second machinery purchased for Rs.1,00,000 was sold off for Rs.20,000 In the beginning, depreciation was provided on machinery at the rate of 10% p.a. on the original cost each year on March 31. From the year 1997-98, however, the company changed the method of providing depreciation and adopted the W.D.V. method, the rate of depreciation being 15%. Give machinery account for the period 1996-2000.	**07**

(b) Explain LIFO and FIFO methods of inventory valuation with comparison**.** Give suitable illustration. **07**

Q.5 **(a)** Explain liquidity, solvency and profitability ratios**.** **07**

(b) The following ratios with industry ratios are presented before you. Prepare a note analyzing them along with suggested action plan for consideration and approval by your company's Board of Directors. **07**

Sr.No.	Ratio	Company Ratio	Industry Ratio
1.	Current Ratio	2.67	2.50
2.	Debtors Turnover (Time)	10.00	8.00
3.	Stock Turnover(Times)	3.33	9.00
4.	Net Sales Margin (%)	2.10	3.50
5.	Net Profit to Total Assets(%)	3.00	7.00
6.	ROI(%)	4.81	10.00
7.	Total Debts to Total Assets (%)	37.00	60.00
8.	Total Assests Turnover	1.43	2.00

OR

Q.5 **(a)** Explain Responsibility Accounting. **07**

(b) Describe Inflation Accounting. **07**

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