**MBA (TRAVEL AND TOURISM)**

**Semester I**

**MBA 514 ACCOUNTING FOR MANAGERS**

**Part A. Short Answer Questions (5 Marks)**

1. Define Accounting.
2. What is Financial Accounting?
3. Define Management Accounting.
4. What is Cost Accounting?
5. Distinguish between Financial and Management Accounting.
6. Distinguish between Cost Accounting and Management Accounting.
7. What are the objectives of Accounting?
8. What is double entry system?
9. What is a journal?
10. What is a ledger?
11. What is trial balance?
12. What are final accounts?
13. What is capital expenditure?
14. What is revenue expenditure?
15. What is deferred revenue expenditure?
16. What is depreciation?
17. What is obsolescence?
18. What is amortization?
19. What is provision?
20. What is reserve?
21. What is contingent liability?
22. What is a bad debt?
23. What is working capital?
24. What is fixed capital?
25. What is current asset?
26. What is current liability?
27. What is contingent asset?
28. What is accrual accounting?
29. What is cash basis accounting?
30. What is matching principle?
31. What is consistency principle?
32. What is conservatism principle?
33. What is materiality principle?
34. What is going concern concept?
35. What is business entity concept?
36. What is dual aspect concept?
37. What is accounting cycle?
38. What is trial balance?
39. What is rectification of errors?
40. What is bank reconciliation statement?
41. What is petty cash book?
42. What is contra entry?
43. What is subsidiary book?
44. What is cash book?
45. What is balance sheet?
46. What is profit and loss account?
47. What is manufacturing account?
48. What is trading account?
49. What is cost sheet?
50. What is prime cost?
51. What is overhead?
52. What is direct expense?
53. What is indirect expense?
54. What is job costing?
55. What is process costing?
56. What is unit costing?
57. What is contract costing?
58. What is batch costing?
59. What is ABC costing?
60. What is marginal costing?
61. What is absorption costing?
62. What is standard costing?
63. What is variance analysis?
64. What is budgetary control?
65. What is master budget?
66. What is flexible budget?
67. What is performance budget?
68. What is zero-based budgeting?
69. What is cash budget?
70. What is fund flow statement?
71. What is cash flow statement?
72. What is ratio analysis?
73. What is liquidity ratio?
74. What is solvency ratio?
75. What is profitability ratio?
76. What is activity ratio?
77. What is leverage ratio?
78. What is break-even point?
79. What is contribution margin?
80. What is P/V ratio?
81. What is margin of safety?
82. What is operating leverage?
83. What is financial leverage?
84. What is combined leverage?
85. What is ROI?
86. What is ROE?
87. What is EPS?
88. What is dividend payout ratio?
89. What is retained earnings?
90. What is working capital turnover?
91. What is debt-equity ratio?
92. What is proprietary ratio?
93. What is interest coverage ratio?
94. What is average collection period?
95. What is inventory turnover ratio?
96. What is debtor turnover ratio?
97. What is creditor turnover ratio?
98. What is trend analysis?
99. What is common-size statement?
100. What is comparative statement?
101. Journalise the following:
(a) Started business with cash ₹50,000
(b) Purchased goods for cash ₹20,000
(c) Sold goods for cash ₹30,000
102. Prepare a Trial Balance from:
Capital ₹1,00,000; Purchases ₹50,000; Sales ₹80,000; Wages ₹5,000; Rent ₹2,000.
103. A business bought machinery for ₹50,000 and spent ₹5,000 on installation. What is the total cost of machinery?
104. Calculate straight-line depreciation: Cost of asset ₹1,00,000, useful life 5 years, scrap value ₹10,000.
105. Show ledger accounts for Cash and Purchases from given entries.
106. Prepare Trading Account from: Sales ₹1,00,000; Purchases ₹60,000; Opening Stock ₹20,000; Closing Stock ₹15,000.
107. Prepare Profit and Loss Account: Gross Profit ₹40,000; Salaries ₹10,000; Rent ₹5,000; Depreciation ₹3,000.
108. Find Gross Profit Ratio: Gross Profit ₹40,000; Sales ₹1,00,000.
109. Compute Current Ratio: Current Assets ₹1,20,000; Current Liabilities ₹60,000.

**Part B. Essay / Problem / Application Questions (10 Marks)**

1. Explain the scope and objectives of Management Accounting.
2. Explain the limitations of Financial Accounting.
3. Explain the differences between Cost, Management and Financial Accounting.
4. Discuss the role of Management Accountant in an organization.
5. Explain the accounting principles with suitable examples.
6. Prepare journal entries from given transactions.
7. Prepare ledger accounts from journal entries.
8. Prepare trial balance from given balances.
9. Prepare final accounts of a sole trader.
10. Explain methods of depreciation.
11. Explain the preparation of Bank Reconciliation Statement.
12. Explain errors and their rectification with examples.
13. Prepare a trading and profit & loss account.
14. Prepare a balance sheet.
15. Explain process costing with examples.
16. Explain job costing with illustrations.
17. Explain marginal costing and its applications.
18. Explain standard costing and variance analysis.
19. Explain absorption costing and its relevance.
20. Explain cost-volume-profit analysis.
21. Explain break-even analysis with example.
22. Prepare a cash flow statement.
23. Prepare a fund flow statement.
24. Explain budgetary control as a management tool.
25. Prepare a flexible budget with given data.
26. Explain zero-based budgeting with example.
27. Explain preparation of master budget.
28. Explain working capital management.
29. Explain different methods of inventory valuation.
30. Explain responsibility accounting.
31. Explain Activity Based Costing (ABC).
32. Explain transfer pricing with example.
33. Explain variance analysis for material and labour.
34. Explain cost sheet with example.
35. Explain capital budgeting process.
36. Explain make or buy decision.
37. Explain pricing decisions and relevant costs.
38. Explain performance measurement and ROI.
39. Explain common financial ratios with interpretation.
40. Prepare ratio analysis from given financial statements.
41. Explain horizontal and vertical analysis.
42. Explain trend analysis with example.
43. Explain leverage analysis.
44. Explain EVA (Economic Value Added).
45. Explain balanced scorecard.
46. Explain corporate governance and reporting.
47. Explain human resource accounting.
48. Explain inflation accounting.
49. Discuss social responsibility accounting.
50. Explain environmental accounting.
51. Journalise the following transactions, post to Ledger and prepare a Trial Balance:

 Commenced business with ₹1,50,000

 Bought goods from Ram ₹50,000

 Sold goods to Shyam ₹30,000

 Paid salaries ₹5,000

 Rent paid ₹2,000

1. From the following balances, prepare Trading and Profit & Loss Account and Balance Sheet:

 Opening Stock ₹20,000; Purchases ₹1,00,000; Sales ₹1,50,000; Wages ₹10,000; Salaries ₹8,000; Rent ₹5,000; Debtors ₹20,000; Creditors ₹10,000; Cash in hand ₹5,000; Closing Stock ₹30,000.

1. Prepare Fund Flow Statement using the following:

 Net Profit ₹50,000; Depreciation ₹10,000; Increase in Working Capital ₹5,000; Issue of Shares ₹20,000; Purchase of Machinery ₹15,000.

1. From the given data prepare a Cash Flow Statement:

 Net Profit before tax ₹80,000; Depreciation ₹10,000; Increase in Debtors ₹5,000; Decrease in Creditors ₹2,000; Purchase of Fixed Assets ₹20,000; Tax paid ₹10,000.

1. Calculate Trend % from given Sales:
2020: ₹1,00,000; 2021: ₹1,20,000; 2022: ₹1,50,000.
2. Prepare a Comparative Income Statement:
Year 1: Sales ₹1,00,000; Gross Profit ₹40,000; Net Profit ₹20,000
Year 2: Sales ₹1,50,000; Gross Profit ₹60,000; Net Profit ₹35,000
3. Calculate Return on Capital Employed:
Net Profit ₹30,000; Capital Employed ₹1,50,000.
4. Prepare Schedule of Changes in Working Capital:

 2023: Current Assets ₹80,000; Current Liabilities ₹40,000

 2024: Current Assets ₹1,00,000; Current Liabilities ₹50,000

1. A company has the following ratios:

 Gross Profit Ratio 30%, Sales ₹5,00,000. Find Gross Profit.

 Net Profit Ratio 10%. Find Net Profit.

1. From given balances, prepare a Balance Sheet:

Share Capital ₹2,00,000; Reserves ₹50,000; Creditors ₹40,000; Debtors ₹30,000; Cash ₹20,000; Stock ₹40,000; Fixed Assets ₹2,00,000.

1. Prepare a Cash Flow Statement using Indirect Method:
Net Profit ₹1,00,000; Depreciation ₹20,000; Decrease in Inventory ₹10,000; Increase in Debtors ₹5,000; Increase in Creditors ₹7,000.
2. Calculate Working Capital:
Current Assets ₹1,50,000; Current Liabilities ₹70,000.
3. Calculate Debt-Equity Ratio:
Long-term Debt ₹2,00,000; Shareholders’ Equity ₹4,00,000.