

Dr. Babasaheb Ambedkar Open University
Term End Examination January - 2026

Course	: MBA	Date	: 18/02/2026
Subject Code	: MBA01C103	Time	: 11:30am to 01:45pm
Subject Name	: Accounting for Managers	Duration	: 02.15 Hours
		Max. Marks	: 70

Q-1 Explain the information needs of different types of user group in detail. **14**

OR

Explain the difference between Financial Accounting and Management Accounting.

Q-2 Prepare a specimen of Profit & Loss Account. **14**

OR

Prepare Pro-forma of Balance sheet as per schedule-III of the Companies Act, 2013.

Q-3 Ronak Ltd. has provided the following Balance Sheets and request you to prepare Cash flow statement as on 31st March 2024 & 2025. **14**

Particulars	Note	31-3-2024 Rs.	31-3-2025 Rs.
I. EQUITY AND LIABILITIES:			
(1) Share holders' Funds:			
(a) Share Capital:		2,00,000	3,00,000
(b) Reserves and Surplus: General Reserve		1,50,000	1,70,000
Profit & Loss A/c		32,000	89,000
(2) Non – Current Liabilities:			
(a) Long Term Borrowings:			
10% Debentures		1,80,000	50,000
(3) Current Liabilities:			
(a) Trade Payables: Creditors		50,000	57,500
Bills Payable		68,000	40,000
(b) Short Term Provisions:			
Provision for Taxation		25,000	42,500
Proposed Dividend		50,000	36,000
Total		7,55,000	7,85,000
II ASSETS:			
(1) Non – Current Assets:			
(a) Fixed Assets			
(i) Tangible Assets: Land and Building		4,00,000	4,25,000
Plant and Machinery		2,00,000	2,80,000
(ii) Intangible Assets: Goodwill		15,000	10,000
(2) Current Assets:			
(a) Inventories: Stock		40,000	50,000
(b) Trade Receivables: Debtors		80,000	10,000
(c) Cash and Cash Equivalent: Cash balance		20,000	5,000
Bank balance		--	5,000
Total		7,55,000	7,85,000

Additional Information:

- On 1-4-2024 Bonus share at one share for every two shares were issued by capitalizing General Reserve.
- Proposed dividend of last year was paid and income tax of Rs 50,000 of last year was also paid.

3. Depreciation provided on Land-Building was Rs 30,000 and on Machinery was Rs 40,000.
4. Redeemed debentures at 5% premium.
5. Sold one machine for Rs. 35,000 , the cost of which was Rs. 50,000 and the depreciation provided on it was Rs. 10,000.

Note: All calculations are to be shown as a part of your answer.

OR

Describe the meaning and objectives of Financial Management.

Q-4 What is Ratio? Explain the objectives and importance of ratio analysis. **14**

OR

Define Budget. Explain its characteristics and uses.

Q-5 (A) Short notes (Any three) **09**

1. Going Concern Concept
2. Meaning and Need of Accounting Standards
3. Carbon Credit Accounting
4. Objectives of Fund Flow Statement
5. Operating Leverage

(B) Choose the correct option: **05**

1. All the following items are classified as fundamental accounting assumptions except _____.
 (A) Consistency (B) Going concern
 (C) Cost concept (D) Revaluation concept
2. Which of the following is not the function of Accounting?
 (A) Interpreting (B) Decision-making
 (C) Forecasting (D) Measurement
3. Which of the following items is not a cash inflow?
 (A) Borrowing or incurring any liability (B) Repayment of loans and debentures
 (C) Sale of fixed assets or investment (D) Earning operating profit
4. The change in profit due to the change in sales is referred to as,
 (A) Financial leverage (B) Operating leverage
 (C) Profit planning (D) Dividend-payout ratio
5. Production budget is governed by
 (A) Sales budget (B) Flexible budget
 (C) Material budget (D) None of the above
