

National Institute of Technology, Hamirpur (HP)**MBA****Branch : MBA****Course Name: Management & Cost Accounting****Time: 02 Hours****Semester : First****Course Code : MB-614****Maximum Marks: 50****PART-A***Note: Attempt all questions Two Marks Each*

(08 Marks)

1. What is debt equity ratio?
2. Define bad debt.
3. What is book keeping?
4. Discuss any three benefits of Trail balance.

PART-B*Note: Attempt all questions Three Marks Each(06 Marks)*

1. Explain ratio analysis with the help of example.
2. Discuss the application of marginal costing

PART-C*Note: Attempt all questions Four Marks Each*

(08 Marks)

1. Differentiate between fund flow statement and cash flow statement.
2. Explain liquidity ratio with the help of example.

PART-D*Note: Attempt all questions Six Marks Each*

(18 Marks)

1. What is depreciation? Explain any one method of depreciation with example.
2. What do you mean by financial statements? Describe any four limitations of financial statements
3. Calculate the rate of Deprecation under straight line method in the of the following alternative cases:

S.No.	Acquiring Cost of Asset (Rs.)	Expenses to be Capitalized (Rs.)	Estimated Residual Value (Rs.)	Expected useful life (in years)
1	1,00,000	5000	5000	10
2	2,00,000	15000	25000	8
3	40,000	2000	7000	5

PART-E

Note: This question carries 10 Marks

1. Prepare final accounts for the year ending 31st March 2020

Capital	300000	Discount Allowed	700
Drawings	15000	Disc Rec	1200
Op Stock	60000	Commission (Cr)	1200
Purchases	150000	Bad debts	400
Sales	300000	Postage & Telegram	200
Furniture	16000	Creditors	63000
Machinery	230000	Patents	10000
Debtors	50000	Additional Information	
Freight&Octroi	2000	Stock as on 31st March 2021	80000
Trade Expenses	1000	Salary has been paid for 13 months	
Rent	22000	Rent outstanding for 1 month	
Legal Charges	1000	Prepaid insurance premium	500
Insurance Premium	4100	Charge 5 % interest on Capital	
Salaries	39000	Depreciate Machinery at 10% per annum	
Cash in Hand	8000	Depreciate Furniture at 5% per annum	
Cash at Bank	16000		
Good will	40000		