

8. Define contribution margin and explain its role in marginal costing. Discuss, how contribution margin per unit and contribution margin ratio are calculated ? **10**
9. Identify and explain the different types of responsibility centers. Discuss the characteristics and functions of each responsibility center. **10**

Roll No. ....

Total Pages : 04

**CMBA/D-23**

**27215**

**FINANCIAL REPORTING, STATEMENTS  
AND ANALYSIS  
MBA-105**

Time : Three Hours]

[Maximum Marks : 70

**Note :** Attempt *Six* questions in all. Question No. 1, comprising of five short answer type questions of 4 marks each, is compulsory, and the remaining eight questions are of 10 marks each, out of which attempt any *five* questions.

1. Explain briefly : **5×4=20**
- (a) Objectives of transfer pricing
  - (b) Importance of HR Accounting in organizational management
  - (c) Identify potential risks associated with dropping a product line.
  - (d) Du Pont analysis
  - (e) Accounting conventions.
2. Compare and contrast International Financial Reporting Standards and Generally Accepted Accounting Principles. Discuss the implications of adopting one framework over the other. **10**

3. Elaborate the fundamental accounting principles that guide financial reporting. Illustrate, how these principles contribute to the preparation of accurate financial statements ? **10**

4. From the following informations, prepare balance sheet :

	Rs.		Rs.
Current ratio	2.50	Working capital	60,000
Liquidity ratio	1.50	Reserves and surplus	40,000
Proprietary ratio (fixed assets/ proprietary fund)	0.75	Bank overdraft	10,000

There is no long-term loan or fictitious asset. **10**

5. From the following informations of XYZ Ltd., for the year ended 31st March, 2013 and 2014, prepare a cash flow statement :

	31.3.2013	31.3.2014
	₹	₹
Equity Share of ₹ 20 each	3,00,000	4,00,000
Share premium	—	10,000
Profit and loss appropriation A/c	1,00,000	1,00,000
Profit for the year	—	2,00,000
6% Debentures	1,50,000	1,00,000
Profit on Redemption of Debentures	—	2,000
Sundry creditors	1,40,000	1,10,000
Provision for taxation	50,000	1,00,000

Proposed dividend	15,000	20,000
	7,55,000	10,42,000
Property	2,00,000	2,50,000
Plant and machinery	4,00,000	4,50,000
Less : Depreciation	1,40,000	2,60,000
	2,60,000	1,50,000
Loans to subsidiary Co.	—	15,000
Share in subsidiary Co.	20,000	20,000
Stock in trade	1,40,000	1,50,000
Debtors	1,00,000	1,50,000
Bank	35,000	1,57,000
	7,55,000	10,42,000

*Additional informations :*

During the year plant costing Rs. 50,000 was sold for Rs. 10,000. Accumulated depreciation on this plant was Rs. 30,000. Loss on sale of plant was charged to Profit & Loss Account. Income-tax paid during the year was Rs. 60,000. **10**

6. Define Zero-based Budgeting and explain its key principles. Discuss situations where ZBB might be more suitable than traditional budgeting. **10**
7. Explain the importance of communication during the budget implementation phase. Discuss common challenges organizations may face when implementing budgets. **10**