3. What is Cash Flow Statement? Explain operating, investing and financing activity. 2+4+4+4=14

4. (a) Explain the significance of inventory valuation. 7

   (b) Compare and contrast LIFO and FIFO methods of inventory valuation. 7

5. (a) What is computerised accounting system? 3

   (b) What are the advantages of computer rised accounting system? 4

   (c) Mention the differences between manual accounting system and computerised accounting system. 7

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Executive MBA Odd Semester Examination, 2025

BUSINESS ADMINISTRATION

(1st Semester)

Course No.: EMBA-103

(Financial Accounting for Manager)

Full Marks: 70

Pass Marks: 28

Time: 3 hours

The figures in the right margin indicate full marks for the question.

SECTION-I

Answer the following two questions :

1. The following balances appeared in the books of MZ Ltd as on 31st March, 2022

Debit Balances	₹	**Credit Balances**	₹
Building at coat	1,50,000	Equity share capital	6,00,000
Purchases	5,00,900	(Fully paid shares of	
Salaries and wages	3,59,000	₹10 each)	
Repairs to building	26,810	General Reserve	2,50,000
Miscellaneous expenses	31,090	Unclaimed dividend	6,520
Machinery at cost	2,00,000	Trade payables	36,880
Motor vehicles at cost	30,000	Sales	10,83,940
Furniture at cost	5,000	Provision for	
Opening stock-in-trade	1,72,050	depreciation	71,000
Trade Receivables	2,23,380	Interest on investments	8,540

Turn Over

Investments (long term)	2,88,950	Surplus in the statement of profit and loss (01.04.2021)	16,840
Advance Payment tax	50,000		
Cash balance	72,240		
Director's fees	1,800	Staff Provident fund	37,500
	21,11,220		21,11,220

From these balances and the following information prepare the company's balance sheet as on 31st March, 2022 and a statement of profit and loss for the year eneded as on that date. 8+6=14

(a) Stock in trade on 31st March, 2022 was valued at ₹1,48,680 for depreciation on fixed assets= ₹10,000.

(b) A claim of ₹2,500 for workmen's compensation is being disputed by the company.

(c) Authorised capital is 80,000 equity shares of ₹10 each. The company has issued 60,000 shares of ₹10 each.

2. (a) Calculate debt-equity ratio from the following information : 2

Equity ₹50,00,000

Reserves ₹30,00,000

Long term Debts ₹40,00,000

(b) From the following details, calculate interest coverage ratio : 4

Net profit after tax ₹2,10,000

15% long term debt ₹10,00,000

Tax rate 30%

(c) From the following information calculate : 2x4=8

(i) Earning per share (EPS)

(ii) Book value per share

(iii) Dividend Payout Ratio

(iv) Price-Earnings (P/E) Ratio

Particulars	Amount (₹)
70,000 equity shares of ₹10 each	7,00,000
Net profit after tax but before dividend	3,50,000
Market price of a share	40
Dividend declared at 25%.	

SECTION-II

Answer any three from the following

1. What do you mean by GAAP? Explain accounting period concept and money measurement concept. 4+5+5=14

2. (a) What do you mean by accounting policies? Give some examples of accounting policies. 3+3=6

(b) What are the major considerations governing the selection and application of accounting policies? 3

(c) When the change in accounting policy is recommended? Also mention the discolosure requirements in case of change in accounting policies. 2+3=5