

NAIPUNNYA BUSINESS SCHOOL (NBS)
FIRST SEMESTER MBA II INTERNAL EXAMINATION DECEMBER 2024
ACCOUNTING FOR MANAGERS(BUS1C08)

Time:1 hour 30 min

Maximum:30 marks

Part A

Answer all questions.
Each question carries 2 marks

1. What does a low Interest Coverage Ratio indicate? L1; CO2
2. What is a Fund Flow Statement? L1; CO1

Part B

Answer any two questions.
Each question carries 4 marks

3. Explain the importance of ratio analysis in financial decision-making. L3; CO2
4. Describe the limitations of ratio analysis. L1; CO2
5. Analyze the implications of a consistent increase in working capital over several years. L1; CO1
6. Explain how a Cash Flow Statement can help in assessing a company's liquidity position. L1; CO1

Part C

Answer any one question.
Each question carries 8 marks

7. Prepare a Fund Flow Statement from the following data: Net Profit: ₹3,50,000 Depreciation: ₹80,000 Increase in Stock: ₹1,20,000 Decrease in Debtors: ₹60,000 Purchase of Machinery: ₹4,00,000 Increase in Bills Payable: ₹1,00,000 Redemption of Debentures: ₹2,00,000 Calculate the sources and uses of funds, and prepare the Fund Flow Statement. L1; CO2
8. Prepare a Fund Flow Statement from the following details: Net Profit: ₹6,00,000 Increase in Provision for Tax: ₹1,00,000 Depreciation: ₹2,00,000 Decrease in Stock: ₹1,50,000 Decrease in Debtors: ₹80,000 Purchase of Land and Building: ₹5,00,000 Issue of Equity Shares: ₹3,00,000 Increase in Loans: ₹2,00,000 Calculate the sources and uses of funds, and prepare the Fund Flow Statement. L1; CO2

Part D

Compulsory question
10 Marks

9. Prepare a Fund Flow Statement from the following details for the year ended 31st March 2024:

Net Profit: ₹4,50,000
Depreciation: ₹1,00,000
Increase in Inventory: ₹1,20,000
Increase in Debtors: ₹1,50,000
Decrease in Creditors: ₹80,000
Redemption of Debentures: ₹2,00,000
Purchase of Fixed Assets: ₹3,00,000
Proceeds from Sale of Investments: ₹1,80,000
Issuance of Long-Term Loans: ₹1,00,000
Calculate the sources and uses of funds, and prepare the Fund Flow Statement.
