

MANAGEMENT PROGRAMME (MP)

Term-End Examination

June, 2025

**MS-4 : ACCOUNTING AND FINANCE FOR
MANAGERS**

Time : 3 Hours

Maximum Marks : 100

Note : (i) Attempt any *five* questions.

(ii) All questions carry equal marks.

1. (a) Discuss the use of Accounting Information to various stakeholders.
(b) Explain the Continuity concept and Consistency concept of accounting by giving suitable examples.
2. What do you understand by Funds Flow Statement ? How does it differ from a Cash Flow Statement ? Explain the main items which are shown in the funds flow statement and the purpose of preparing this statement.

3. Explain the meaning of 'Variance', 'Cost Variance' and 'Sales Variance'. Why are variances computed ? How can the variance be controlled ?
4. Define 'Financial Management' and describe its functions. Discuss the Profit Maximisation and Wealth Maximisation objectives of the firm.
5. What do you understand by Budget and Budgetary Control ? Explain the steps for installing an effective system of Budgetary Control in an organization.
6. What is Capital Structure ? Discuss the determinants of Capital Structure and explain the features of an appropriate Capital Structure.
7. Write notes on any *four* of the following :
 - (a) Price-Earnings Ratio
 - (b) Opportunity Cost
 - (c) Fixed Budget
 - (d) Net Present Value
 - (e) FIFO and LIFO Methods of Inventory Valuation
 - (f) Rights Shares

[3]

8. You are required to prepare a Statement of Cost under Marginal Costing, from the following information :

| | Products | | |
|--------------------|----------|----------|----------|
| | A (₹) | B (₹) | C (₹) |
| Direct Materials | 7,500 | 30,000 | 3,000 |
| Direct Wages | 9,000 | 9,000 | 1,500 |
| Factory Overhead : | | | |
| Fixed | 3,000 | 1,500 | 1,500 |
| Variable | 3,900 | 9,000 | 4,500 |
| Selling Overhead : | | | |
| Fixed | 1,500 | 900 | 600 |
| Variable | 2,100 | 6,000 | 3,000 |
| Sales | 32,000 | 61,000 | 16,000 |

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