

5. Which of the following methods is commonly used to calculate the cost of equity?
- Payback Period
 - Net Present Value (NPV)
 - Capital Asset Pricing Model (CAPM)
 - Internal Rate of Return (IRR)
6. The weighted average cost of capital (WACC) is:
- The average rate of return a company expects to earn on its investments.
 - The average of the cost of debt, equity, and retained earnings.
 - The overall required return on a firm's assets, weighted by the proportion of debt and equity.
 - The cost associated with issuing new stock.
7. The primary goal of financial management in a corporation is to:
- Maximize profits
 - Maximize the market value of the company's stock
 - Minimize costs
 - Maximize sales revenue
8. Which of the following techniques is commonly used for evaluating capital investment decisions?
- Current Ratio
 - Net Present Value (NPV)
 - Debt-to-Equity Ratio
 - None of the above
9. According to the Walter Model, a firm should retain earnings if:
- The firm's rate of return (r) is less than the cost of capital (k).
 - The firm's rate of return (r) is equal to the cost of capital (k).
 - The firm's rate of return (r) is greater than the cost of capital (k).
 - The firm has no profitable investment opportunities.
10. A company's dividend decision primarily concerns:
- How much earnings to retain and how much to distribute as dividends.
 - The issuance of new shares.
 - The capital structure of the firm.
 - The company's production decisions.

Indian Maritime University
(A Central University, Government of India)

Supplementary Examinations – March/April 2025

Programme Name: MBA (ITL/PSM)

Semester: II

Subject Code: PG21/22T3102

Subject Name: ACCOUNTING FOR MANAGERS

Date: 04.03.2025

Max Marks: 60

Duration: 03 Hrs

Pass Marks: 30

General Instructions

- All Sections (A, B & C) are to be attempted.
- Options, if any, are specified in respective section.

Section A

10x1 = 10 Marks

Ten MCQs/Fill in the Blanks of 01 Mark each – Choose the correct answer as applicable.

- In accounting, a journal entry involves:
 - Only recording expenses
 - Only recording revenues
 - Recording all business transactions in a chronological order
 - Summarizing financial statements
- If the trial balance does not balance, what could be the most likely cause?
 - The accountant applied the matching principle correctly.
 - An equal debit and credit entry has been made.
 - A transaction was recorded in the wrong account.
 - The total of debits does not equal the total of credits.
- Which of the following financial statements is primarily concerned with the financial position of an entity at a specific point in time?
 - Income Statement
 - Statement of Cash Flow
 - Balance Sheet
 - None of the above
- Which of the following is an example of a current asset?
 - Buildings
 - Accounts Receivable
 - Bills Payable
 - Equipment

Estimated closing stock	Rs 166000
Depreciation:	
Land & Building	10% Plant and Machinery
	20%

17. Explain the importance of Weighted Average Cost of Capital?
18. A project cost Rs.15,60,000 and yields annually a profit of Rs 2,70,400 after depreciation of 12% p.a but before tax at 25%. Calculate pay-back period
19. ABC Ltd. purchased a machine on 1st July,2019 at a cost of Rs. 14, 00,000 and spent Rs. 1, 00,000 on its installation. The firm writes off depreciation at 10% p.a. of the original cost every year. The books are closed on 31st March every year. You are required for :
Show the Machinery Account and Depreciation Account for the year 2019-20 and 2020-21
20. What are the objectives of financial accounting?
21. What is a Dividend Decision and explain its importance?
22. Briefly explain the concepts of working capital?

11. Define GAAP?
12. What is fixed depreciation?
13. Explain Net Operating Income?
14. Define a) NPV (B) IRR
15. What is working capital?

Section-C

Answer any 5 questions out of 7 questions

5x8 = 40 Marks

16. Prepare Trading, P&L account and Balance Sheet for the year ending 30.03.2023. of Good Man Enterprises:-

Particulars	Debit (Rs)	Credit (Rs)
Capital	a/c	600000
Land & Building	a/c	900000
Plant & Machinery	a/c	450000
Sales	a/c	2250000
Purchase	a/c	1250000
Op. Stock	a/c	27000
Power	a/c	40000
Electricity Charges	a/c	125000
Rent	a/c	80000
Administrative Exps	a/c	53000
Salary	a/c	112500
Wages	a/c	81000
Sundry Debtors	a/c	205000
IDBI Loan	a/c	398500
Investment	a/c	350000
Sundry creditors	a/c	145000
Miscellaneous Income	a/c	55000
Bank Over Draft	a/c	150000
Total	3673500	3673500