



QUESTION BANK

Department of Management Studies

Financial Accounting for Managers (22MBA113)

SREENIVASA INSTITUTE of TECHNOLOGY and MANAGEMENT STUDIES
(AUTONOMOUS)

(FINANCIAL ACCOUNTING FOR MANAGERS)

QUESTION BANK

I MBA / I - SEMESTER

REGULATION: R22



BY

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DEPARTMENT : DEPARTMENT OF MANAGEMENT STUDIES

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I MBA – Semester - I					
Course Code		L	T	P	C
22MBA113	FINANCIAL ACCOUNTING FOR MANAGERS	3	1	0	4
Course Educational Objectives (CEO):					
<p>CEO1: To provide knowledge on accounting principles, and books of original record.</p> <p>CEO2: To make aware of preparation of final accounts of enterprises.</p> <p>CEO3: To create awareness on the valuation of fixed assets and inventory.</p> <p>CEO4: To develop the skills for the preparation of funds flow statement and cash flow statement.</p> <p>CEO5: To understand about the analysis of financial statements of enterprises through tools of financial statements.</p>					
UNIT - I	Introduction to Accounting	Lecture Hrs: 8			
Definition, Importance, Objectives and principles of accounting, uses of accounting and book keeping Vs Accounting, Single entry and Double entry systems, classification of accounts – Rules of debit & credit. (Only theory)					
UNIT - II	The Accounting Process	Lecture Hrs: 12			
Overview, Books of Original Record; Journal and Subsidiary books, ledger, Trial Balance, Final accounts: Trading accounts- Profit & loss accounts- Balance sheets with adjustments. (Problems on Only Final Accounts)					
UNIT - III	Valuation of Assets	Lecture Hrs: 12			
Introduction to Depreciation - Methods (Simple problems from Straight line method, Diminishing balance method and Annuity method). Inventory Valuation: Methods of inventory valuation (Simple problems from LIFO, FIFO).					
UNIT - IV	Financial Statements Analysis - I	Lecture Hrs: 12			
Objectives and Tools of Financial Analysis – Comparative, Common-size and Trend Analysis - Analysis of Cash flow and Funds flow statements - Funds flow statement Vs Cash flow statement. (Theory and Problems).					
UNIT - V	Financial Statements Analysis - II	Lecture Hrs: 12			
Analysis and interpretation of financial statements from investor and company point of view, Liquidity, leverage, solvency and profitability ratios – Du-Pont Chart (A Case study on Ratio Analysis).					
Course Outcomes:					
On successful completion of the course the student will be able to,				POs & PSOs related to COs	
CO1	Understanding the accounting principles, and books of original record.			PO1, PO4, PO8, PSO1, PSO2	
CO2	Apply the knowledge gained to prepare of final accounts of the firm.			PO1, PO2, PO4, PO8, PSO1, PSO2	
CO3	Evaluate the fixed assets and inventory of an organisation.			PO1, PO2, PO8, PSO1	
CO4	Analyze the financial performance of an organization through funds flow statement and cash flow statement.			PO1, PO2, PO4, PO8, PSO1, PSO2	

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CO5	Analyze the financial performance of an organization through ratio analysis.	PO1, PO2, PO4, PO8, PSO1, PSO2
Text Books:		
<ol style="list-style-type: none"> 1. Financial Accounting for Managers, 7th Edition, Ambrish Gupta, Pearson Education, 2022. 2. Financial Accounting, Partha Chatterjee, Himalaya Publishing House Pvt. Ltd. India, 2011. 3. Financial Accounting and Analysis, Revised Edition, P.Premchand Babu and M.Madana Mohan, Himalaya Publishing House Pvt. Ltd. India, 2011. 		
Reference Books:		
<ol style="list-style-type: none"> 1. Financial Accounting for Management, 3/e, Paresh Shah, Oxford University Press, 2022. 2. Financial Accounting for Business Managers, Asish K. Bhattacharyya, PHI, 2009. 3. Financial Accounting Management an Analytical Perspective, Ambrish Gupta, Pearson Education, 2009. 4. Financial Accounting Reporting and Analysis, Stice & Stice Thomson. 2007 5. Accounting – Text and Cases, Robert N. Anthony, David F. Hawkins and Kenneth A. Merchant, TMH, 2008. 6. Accounting for Management, Vijaya Kumar, TMH, 2009. 7. Financial Accounting, Dr.S.K. Maheshwari and Dr.S.K. Maheshwari, Vikas Publishing House Ltd., 2007. 		
Online Learning Resources:		
https://onlinecourses.swayam2.ac.in/cec20_mg02/preview https://onlinecourses.swayam2.ac.in/imb19_mg06/preview https://onlinecourses.nptel.ac.in/noc19_mg37/preview https://www.coursera.org/learn/wharton-accounting		

COURSE OUTCOMES VS POs MAPPING (DETAILED; HIGH:3; MEDIUM:2; LOW:1):

Course	PO	PO 1	PO 2	PO 3	PO 4	PO 5	PO 6	PO 7	PO 8	PSO1	PSO2
	CO										
C1103 : FINANCIAL ACCOUNTING FOR MANAGERS	C1103.1	2	-	-	2	-	-	-	3	2.5	2
	C1103.2	3	3	-	2	-	-	-	3	3	2
	C1103.3	3	3	-	-	-	-	-	3	3	-
	C1103.4	3	3	-	3	-	-	-	3	3	3
	C1103.5	3	3	-	3	-	-	-	3	3	3
	C1103	2.8	3	-	2.5	-	-	-	3	2.9	2.5

QUESTION BANK

Q. No.	Questions	POs & PSOs Attainment
	UNIT - 1: INTRODUCTION TO ACCOUNTING	
	PART – A (2 Marks Questions)	
1	Give rules of debit and credit in respect of personal accounts.	PO1, PO4, PO8, PSO1, PSO2
2	What are the advantages of journal?	PO1, PO4, PO8, PSO1, PSO2
3	Briefly explain the need of accounting.	PO1, PO4, PO8, PSO1, PSO2
4	Distinguish between book-keeping and accounting.	PO1, PO4, PO8, PSO1, PSO2
5	What are the objectives of accounting?	PO1, PO4, PO8, PSO1, PSO2
6	Give four advantages of accounting.	PO1, PO4, PO8, PSO1, PSO2
7	Explain convention of consistency.	PO1, PO4, PO8, PSO1, PSO2
8	What is meant by double entry book-keeping?	PO1, PO4, PO8, PSO1, PSO2
9	What are the limitations of accounting?	PO1, PO4, PO8, PSO1, PSO2
10	What do you know about going concern concept?	PO1, PO4, PO8, PSO1, PSO2
11	List out the steps in accounting process.	PO1, PO4, PO8, PSO1, PSO2
12	What is convention of full disclosure?	PO1, PO4, PO8, PSO1, PSO2
13	Define accounting standards.	PO1, PO4, PO8, PSO1, PSO2
	PART – B (10 Marks Questions)	
1	What is book-keeping? Explain its objectives.	PO1, PO4, PO8, PSO1, PSO2
2	Explain the accounting principles briefly.	PO1, PO4, PO8, PSO1, PSO2
3	What is meant by double entry book-keeping system? Explain its advantages.	PO1, PO4, PO8, PSO1, PSO2
4	What is accounting? Explain its nature and scope.	PO1, PO4, PO8, PSO1, PSO2
5	Explain the significance of financial accounting,	PO1, PO4, PO8, PSO1, PSO2
6	Explain the concepts and conventions with suitable examples.	PO1, PO4, PO8, PSO1, PSO2
7	Describe the accounting cycle.	PO1, PO4, PO8, PSO1, PSO2
8	Discuss the role of an accountant in a business organization.	PO1, PO4, PO8, PSO1, PSO2
9	What is balance sheet? Why is it prepared? Explain its significance.	PO1, PO4, PO8, PSO1, PSO2
	UNIT - 2: THE ACCOUNTING PROCESS	
	PART – A (2 Marks Questions)	
1	List out the steps in accounting process.	PO1, PO2, PO4, PO8, PSO1, PSO2
2	What is convention of full disclosure?	PO1, PO2, PO4, PO8, PSO1, PSO2
3	Define accounting standards.	PO1, PO2, PO4, PO8, PSO1, PSO2
4	What is meant by cash discount and trade discount?	PO1, PO2, PO4, PO8, PSO1, PSO2

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QUESTION BANK

5	What is journal proper?	PO1, PO2, PO4, PO8, PSO1, PSO2
6	What is ledger?	PO1, PO2, PO4, PO8, PSO1, PSO2
7	What is the objective of preparation of trial balance	PO1, PO2, PO4, PO8, PSO1, PSO2
8	What is journal?	PO1, PO2, PO4, PO8, PSO1, PSO2
9	What is gross profit? How is it Ascertained?	PO1, PO2, PO4, PO8, PSO1, PSO2
10	Give the proforma of trading account.	PO1, PO2, PO4, PO8, PSO1, PSO2
	PART – B (10 Marks Questions)	
1	Discuss the role of an accountant in a business organization.	PO1, PO2, PO4, PO8, PSO1, PSO2
2	What is balance sheet? Why is it prepared? Explain its significance.	PO1, PO2, PO4, PO8, PSO1, PSO2
3	What are the advantages of subsidiary books?	PO1, PO2, PO4, PO8, PSO1, PSO2
4	Illustrate financial statements with suitable examples.	PO1, PO2, PO4, PO8, PSO1, PSO2
5	State the final accounts formats.	PO1, PO2, PO4, PO8, PSO1, PSO2
6	Explain the various adjustments with suitable examples.	PO1, PO2, PO4, PO8, PSO1, PSO2
7	UNIT - 3: VALUATION OF ASSETS	
	PART – A (2 Marks Questions)	
1	Describe the term depreciation.	PO1, PO2, PO8, PSO1
2	What are the causes for depreciation?	PO1, PO2, PO8, PSO1
3	How depreciation is calculated under diminishing balance method?	PO1, PO2, PO8, PSO1
4	State the formula for calculating depreciation under fixed installment method.	PO1, PO2, PO8, PSO1
5	What is meant by inventory?	PO1, PO2, PO8, PSO1
6	Briefly explain the need for valuation of inventory.	PO1, PO2, PO8, PSO1
7	Give the importance of inventory valuation in preparation of financial statements.	PO1, PO2, PO8, PSO1
8	What are the objectives of inventory valuation?	PO1, PO2, PO8, PSO1
9	What is meant by periodic inventory valuation?	PO1, PO2, PO8, PSO1
10	What is meant by perpetual inventory valuation?	PO1, PO2, PO8, PSO1
11	Explain about FIFO method.	PO1, PO2, PO8, PSO1
12	What is meant by LIFO method?	PO1, PO2, PO8, PSO1
13	How you calculate simple average price?	PO1, PO2, PO8, PSO1
	PART – B (10 Marks Questions)	
1	What is meant by valuation of fixed assets? What are its objectives?	PO1, PO2, PO8, PSO1
2	What is meant by depreciation? Explain various methods of depreciation.	PO1, PO2, PO8, PSO1
3	Define depreciation. What is the necessity for providing depreciation?	PO1, PO2, PO8, PSO1

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QUESTION BANK

4	What is meant by inventory? Explain various methods of inventory valuation.	PO1, PO2, PO8, PSO1
5	What is meant by inventory valuation? Give its objectives.	PO1, PO2, PO8, PSO1
6	What do you mean by inventory valuation? Briefly explain the system of inventory valuation.	PO1, PO2, PO8, PSO1
	UNIT - 4: FINANCIAL STATEMENTS ANALYSIS - I	
	PART – A (2 Marks Questions)	
1	Define funds flow statement.	PO1, PO2, PO4, PO8, PSO1, PSO2
2	Briefly explain the significance of funds flow statement.	PO1, PO2, PO4, PO8, PSO1, PSO2
3	Briefly explain different sources and uses of funds.	PO1, PO2, PO4, PO8, PSO1, PSO2
4	What are the causes for changes in net working capita?	PO1, PO2, PO4, PO8, PSO1, PSO2
5	How funds flow statement helps the management in managerial control?	PO1, PO2, PO4, PO8, PSO1, PSO2
6	Define cash flow statement.	PO1, PO2, PO4, PO8, PSO1, PSO2
7	List two advantages of a cash flow statement.	PO1, PO2, PO4, PO8, PSO1, PSO2
8	What are the objectives of cash flow statement?	PO1, PO2, PO4, PO8, PSO1, PSO2
9	What is the purpose of preparing cash flow statement?	PO1, PO2, PO4, PO8, PSO1, PSO2
10	What are the limitations of cash flow statement?	PO1, PO2, PO4, PO8, PSO1, PSO2
11	What is meant by funds from operations?	PO1, PO2, PO4, PO8, PSO1, PSO2
12	What is meant by cash from operations?	PO1, PO2, PO4, PO8, PSO1, PSO2
13	Define comparative statement analysis.	PO1, PO2, PO4, PO8, PSO1, PSO2
14	What is meant by commonsize analysis?	PO1, PO2, PO4, PO8, PSO1, PSO2
15	What is trend analysis?	PO1, PO2, PO4, PO8, PSO1, PSO2
	PART – B (10 Marks Questions)	
1	What is a funds flow statement? Explain its importance as a tool of financial analysis.	PO1, PO2, PO4, PO8, PSO1, PSO2
2	What is a funds flow statement? Explain its use and significance to the management.	PO1, PO2, PO4, PO8, PSO1, PSO2
3	Explain different sources and uses of funds.	PO1, PO2, PO4, PO8, PSO1, PSO2
4	Explain the procedure to prepare funds from operations.	PO1, PO2, PO4, PO8, PSO1, PSO2
5	What is meant by cash flow statement? What are its advantages?	PO1, PO2, PO4, PO8, PSO1, PSO2
6	Distinguish between funds flow statement and cash flow statement.	PO1, PO2, PO4, PO8, PSO1, PSO2
7	Briefly explain the method of ascertaining cash from	PO1, PO2, PO4, PO8, PSO1, PSO2

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	operations.	
8	Define cash flow statement. What are its limitations?	PO1, PO2, PO4, PO8, PSO1, PSO2
9	What is meant by financial statement analysis? What are the different techniques of financial statement analysis? Explain.	PO1, PO2, PO4, PO8, PSO1, PSO2
10	What are the methods of financial statement analysis? Explain.	PO1, PO2, PO4, PO8, PSO1, PSO2
	UNIT - 5: FINANCIAL STATEMENTS ANALYSIS - II	
	PART – A (2 Marks Questions)	
		PO1, PO2, PO4, PO8, PSO1, PSO2
1	What is meant by ratio?	PO1, PO2, PO4, PO8, PSO1, PSO2
2	What is ratio analysis?	PO1, PO2, PO4, PO8, PSO1, PSO2
3	What are the limitations of ratio analysis?	PO1, PO2, PO4, PO8, PSO1, PSO2
4	What are the advantages of ratio analysis?	PO1, PO2, PO4, PO8, PSO1, PSO2
5	Explain liquidity ratios.	PO1, PO2, PO4, PO8, PSO1, PSO2
6	List out the various types of ratios.	PO1, PO2, PO4, PO8, PSO1, PSO2
7	Explain profitability ratios.	PO1, PO2, PO4, PO8, PSO1, PSO2
8	Explain leverage ratios.	PO1, PO2, PO4, PO8, PSO1, PSO2
9	What do mean by du-pont chart?	PO1, PO2, PO4, PO8, PSO1, PSO2
10	What do understand by financial ratios?	PO1, PO2, PO4, PO8, PSO1, PSO2
	PART – B (10 Marks Questions)	
1	What is meant by ratio analysis? Discuss its objectives and limitations.	PO1, PO2, PO4, PO8, PSO1, PSO2
2	What are the objectives and limitations of ratio analysis? How do you overcome the limitations?	PO1, PO2, PO4, PO8, PSO1, PSO2
3	How do you classify ratios? Explain the profitability ratios.	PO1, PO2, PO4, PO8, PSO1, PSO2
4	What are the liquidity ratios? Explain them briefly.	PO1, PO2, PO4, PO8, PSO1, PSO2
5	Discuss the significance of ratio analysis in decision making process.	PO1, PO2, PO4, PO8, PSO1, PSO2
6	What is meant by Du- pont chart? Explain its role in financial analysis?	PO1, PO2, PO4, PO8, PSO1, PSO2