

AT-1445

**M.B.A. Semester-III (New Semester) Examination**  
**FINANCIAL MANAGEMENT AND ECONOMICS FOR SPORTS**

Time : Three Hours]

[Maximum Marks : 70

**Note :—**(1) All questions are compulsory and carry equal marks.

(2) Figures to the right indicate marks.

**SECTION—A**

1. (a) State and explain the scope and importance of Financial Accounting. 14

**OR**

- (b) Accounting plays an important role in sports and fitness enterprise. Discuss. 14

**SECTION—B**

2. (a) Explain Reducing Balance method of depreciation. 7  
(b) XYZ Sports equipment manufacturing company purchases machinery worth Rs. 4,00,000/- on 1st Jan. 2009. Company closes its books of accounts on 31<sup>st</sup> Dec. every year.

Company provides depreciation @ 10% per annum on original cost. On 31<sup>st</sup> Dec. 2012, the machinery sold for Rs. 2,60,000/- .

Prepare machinery account by straight line method. 7

**OR**

- (c) Explain the concept of non profit organization. 7  
(d) Ranger Sports Pvt. Ltd. purchases machinery on 1st April 2009 for Rs. 1,80,000/-. Further paid Rs. 30,000/- on its installation.

Company charges depreciation @ 9% per annum. Company closes its books of accounts on 31<sup>st</sup> March every year.

Prepare machinery account for the year ending 31<sup>st</sup> March 2012, by Reducing Balance method. 7

3. (a) Explain role of computers in accounting. 7

- (b) Following information provided by Atlas Ltd. The balance on 1st Jan. 2009 was Rs. 50,000/- :

Months	Sales	Material	Wages	Selling and Dist. O/H	Production O/H
Jan.	72,000	25,000	10,000	4,000	6,000
Feb.	97,000	31,000	10,500	4,500	6,500
Mar.	86,000	25,500	10,800	5,000	6,800
Apr.	88,600	30,000	10,900	6,700	6,900
May	90,000	35,000	11,100	6,800	7,000

Assume 50% cash sales.

Debtors allow one month credit.

Lag in payment of creditors one month.

Prepare cash budget for Jan., Feb., Mar.

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OR

- (c) Explain concept of cash budget with suitable example. 7
- (d) Prepare flexible budget at 90% & 100%. Capacity on the basis of following information :
- (i) Production at 50% capacity 1200 units.
  - (ii) Raw Material = Rs. 50 per unit.
  - (iii) Direct labour = Rs. 20 per unit.
  - (iv) Direct expenses = Rs. 10 per unit.
  - (v) Factory expenses = Rs. 70,000 (50% fixed).

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#### SECTION—C

4. (a) "Why demand curve always slopes downward from left to right". Discuss. 7
- (b) Explain various types of Price elasticity with suitable diagram. 7

OR

- (c) Explain various sports segment of economy. 7
- (d) Explain major components of sport industry. 7

#### SECTION—D

5. Given is the demand and TC function of a company. Determine the optimal output, price and total profit if :

$$P = 20 - Q$$

$$TC = Q^2 + 10Q + 2$$

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