

INTERNATIONAL ISLAMIC UNIVERSITY CHITTAGONG

Mid-term examination
MBA (Major) 5th Trimester
Autumn-2019
Course Title: Human Resource Accounting
Course Code: HRM-5503

Marks:30

Time: 2 hrs

(Answer any three questions. Each question carries 10 marks)

1. a) What do you mean by human resource accounting?
b) What are the merits and limitations of human resource accounting? 2+8=10

2. a) What are the three tests of an asset?
b) Do you think that human resources satisfy all these tests? Justify your answer. 2+8=10

3. You are given the following data and information of six homogenous firms in a certain manufacturing industry:

Firm's No.	Firm's annual income in Lakh Tk.					Firm's annual average investment in Crore Tk.				
	2018	2017	2016	2015	2014	2018	2017	2016	2015	2014
1	60	30	22	20	20	10	05	04	04	03
2	70	35	30	28	48	07	05	06	05	04
3	50	32	22	34	30	05	03	02	03	03
4	40	30	20	30	20	08	06	03	04	04
5	140	90	85	20	60	06	04	04	05	05
6	50	40	25	20	25	07	06	04	03	03

Required: If your firm No. is 5. What is the efficiency ratio of your firm? Comment on the result.

2+8=10

4. Suppose there are 5 persons employed at one stage as a group in a firm. Each person is paid a salary of Tk. 80,000 per year. It is expected that they will remain with the firm for about 5 years and will produce 45, 00,000 units at the end of 5 years each valuing Tk.55. The discount rate is 14% per year. If the certainty of their remaining with the firm is 85%, find out the value of these human assets. The value of physical assets of the firm is Tk. 35, 00,000. 10