

FINANCIAL ACCOUNTING FOR MANAGERS

(For students admitted in 2014, 2015 & 2016 only)

Time: 3 hours

Max. Marks: 60

PART – A

(Answer the following: (05 X 10 = 50 Marks))

- 1 How accounts are classified? Explain.

OR

- 2 What is the difference between book-keeping and accounting system?

- 3 The following are the closing balances extracted from the books of Sandeep traders for the year ending 31st Dec, 2015 with the help of which prepare trading A/c, profit & loss A/c and balance sheet.

Debit balance	Rs.	Credit balance	Rs.
Opening stock	6050	Sales	13720
Purchases	9030	Purchase returns	130
Carriage	220	Capital	3000
Drawings	450	Creditors	4500
Investments	3800	Discount received	350
Debtors	2500	Mortgage loan	4000
Printing charges	1200		
Wages	1100		
Total	25700	Total	25700

Adjustments:

- (a) Closing stock was valued at Rs. 16000.
- (b) Wages outstanding by Rs. 900.
- (c) Outstanding discounts receivables Rs. 150.
- (d) Write off bad debts Rs. 500.
- (e) Create a reserve for bad and doubtful debts Rs. 500.

OR

- 4 What is trading account? What purpose does it serve?

- 5 Discuss various methods of calculating depreciation.

OR

- 6 From the following details, prepare stores ledger using simple average method of pricing the issues. January 2016:

- 1st: Received 500 units @ Rs. 20 per unit.
- 10th: Received 300 units @ Rs. 24 per unit.
- 15th: Issued 700 units.
- 20th: Received 400 units @ Rs. 28 per unit.
- 25th: Issue 300 units.
- 27th: Received 500 units @ Rs. 22 per unit.
- 31st: Issued 200 units.

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7 What are the uses and limitations of cash flow analysis?

OR

8 The following are the summary of cash transactions extracted from the books of XYZ Ltd:

(Rs. in '000's)

Balance as on 1 st April, 2015	140
Receipts from customers	11132
Issue of shares	1200
Sale of fixed assets	512
	<u>12984</u>

Payments to suppliers	8188
Payments for fixed assets	920
Payments for overheads	460
Wages and salaries	276
Taxation	972
Dividends	320
Repayment of bank loans	1000
	<u>12136</u>

Balance as on 31st March, 2016 is 848. You are required to prepare a cash flow statement of the company for the period ended 31st March, 2016.

9 What is ratio? Explain different ratios.

OR

10 How do you analyze and interpret financial statements of a company for reporting on the soundness of its capital structure and solvency?

PART – B

(Compulsory question, 01 X 10 = 10 Marks)

11 **Case study:**

The particulars of income and expenses of a XYZ company are given below for the year ending 31/03/2016.

Particulars	Rs.	Particulars	Rs.
Opening stock	76250	Sales	5,00,000
Purchases	315250	Closing stock	98500
Manufacturing expenses	7000	Income from investment	6000
Administration expenses	1,00,000		
Selling & distribution expenses	12000		
Loss by fire	13000		

From the above information you are required to find :

- Operating ratio.
- Operating profit ratio.
- Stock turnover ratio.
- Gross profit ratio.
- Net profit ratio.
