

MASTER OF VOCATION
Management Banking and Finance
Subject: Accounting and Financial Analysis
Subject Code: GPSE-102
Semester: First
January 2021
Theory (External): 70 Marks
Time: 03 Hours

Instructions to the Students

1. This Question paper consists of two Sections. All sections are compulsory.
2. Section A comprises 10 questions of objective type in nature. All questions are compulsory. Each question carries 2 marks.
3. Section B comprises 8 essay type questions out of which students need to do any 5. Each question carries 10 marks.
4. Read the questions carefully and write the answers in the answer sheets provided.
5. Do not write anything on the question paper.
6. Wherever necessary, the diagram drawn should be neat and properly labelled

| Roll Number | | | | | | | | | | | |
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SECTION –A (SHORT/OBJECTIVE TYPE QUESTIONS)
(10x2=20 Marks)

- A Define accounting. Which parties are interested in accounting information?
- B Why accounting is important?
- C Name any two ratios which show the liquidity position of the firm.
- D Write a short note on common size analysis.
- E Explain Break Even Point
- F What is P/V Ratio?
- G What is the difference between fixed cost and variable cost?
- H Inventory Turnover Ration measures the relationship of Average Inventory with What?
- I What is Sunk Cost?
- J State briefly the objectives of Cost Accounting

SECTION -B (ESSAY TYPE QUESTIONS)

(5x10=50 Marks)

- Q1 Explain the relevance of current ratio.
Also calculate current ratio from the following information:

| | | | |
|-------------------|----------|----------------------|--------|
| Stock | 60,000 | Sundry Creditors | 20,000 |
| Sundry Debtors | 70,000 | B/P | 15,000 |
| Cash | 20,000 | Tax payable | 18,000 |
| B/R | 30,000 | Outstanding expenses | 7,000 |
| Prepaid expenses | 10,000 | Bank overdraft | 25,000 |
| Land and building | 1,00,000 | Debentures | 75,000 |
| Goodwill | 50,000 | | |

- Q2 On which side of the trial balance, the following ledger balance will appear:

| | | | |
|-----------------|------------------|-------------------------|------------------------|
| Purchase return | Bills Receivable | Insurance | Advertisement |
| Furniture | Commission | Outstanding salary | Machinery |
| Bank loan | Rent received | Return outwards | Loan from ram |
| Drawings | Discount allowed | Sales | Carriage |
| Return Inwards | Capital | Interest on Investments | Interest on Ram's loan |

- Q3 What are accounting principles? Why accounting principles are important? Explain any five accounting principles.
- Q4 Explain the importance of Fund Flow Statement. How it is different from Cash Flow Statement?

- Q5 Define Cost accounting, and prepare the format of Cost Sheet?
- Q6 Explain BEP Profit volume analysis with example.
- Q7 Journalize the following transactions:
- a) Charge Deprecation on Machinery Rs. 2000
 - b) Salary due to office clerks Rs. 10,000
 - c) Received cash for Bad-debt written off last year Rs.500
 - d) Purchased goods from Ashok for Rs 5000 at 20% trade discount
 - e) Paid life insurance premium Rs. 2000
- Q8 How marginal costing helps in taking decision of pricing the products

*****END OF PAPER*****