

190805

**M.VOC. MANAGEMENT (BANKING & FINANCE)**

**Subject: Accounting and Financial Analysis**

**Subject Code: GPSE102**

**Semester: 1st (Regular)**

**Batch: 2019-20**

**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 (OBJECTIVE TYPE QUESTIONS)**  
(10x2=20 Marks)

**Q1 Attempt all the questions**

- a) What is financial accounting?
- b) Why trial balance is prepared?
- c) What is the significance of capital market ratios?
- d) What is financial statement analysis?
- e) What is included in the term 'funds' in funds flow statement?
- f) What are irrelevant costs?
- g) What is marginal costing?
- h) What is included in pricing decision?
- i) Why annual reports are published by companies?
- j) How can you categorize the financial statements?

**SECTION –B (ESSAY TYPE QUESTIONS)**

(5x10=50 Marks)

**Q1 Write the following transactions in the Journal of ABC Co. Ltd.**

- a) Commenced business with cash Rs. 5,00,000/-
- b) Purchased goods on credit from Suryaveer Rs. 1,00,000/- and in cash Rs. 50,000/-
- c) Purchased furniture in cash Rs. 75,000/- from Shauryaveer.
- d) Sold goods on credit to Udayveer Rs. 90,000/- and in cash Rs. 45,000/-
- e) Paid Rs. 40,000/- as salary and Rs. 35,000/- as wages

Q2 Why ledger is prepared? What are the rules of preparing the ledger?

Q3 What is the significance of calculating profitability and solvency ratios? Write two ratios each under these two categories with imaginary example.

Q4 What is the use of making Trend Analysis and Common Size Analysis? Draw such statements with examples.

Q5 What is cash flow statement? What is the formula for calculating cash from operations?

Calculate the cash from operations from the information given as- Opening Stock=Rs. 5,000/-, Purchases=20,000/-, Sales=35,000/-, Closing Stock=10,000/-, Expenses=5,000/-,

Q6 What is cost accounting and cost analysis? Write classification of cost with their explanation and example.

Q7 A company is producing an identical product in two factories. The following are the details in respect of both the factories-

Items	Factory ABC	Factory XYZ
Selling Price per unit	50	50
Variable cost per unit	40	35
Fixed Cost	2,00,000	3,00,000
Depreciation included in above	40,000	30,000
Sales (units)	30,000	20,000
Production capacity (units)	40,000	30,000

You are required to determine:

- I Break-Even Point (BEP) for each factory individually.
- II BEP for company as a whole.
- III Which factory is more profitable and why?
- IV Cash BEP for each factory.

Q8 The following particulars are obtained from financial statement (costing records) of a company.

Items	Product A (per unit)	Product B (per unit)
Selling Price	200	500
Material (Rs. 20 per litre)	40	160
Labour (Rs. 10 per hour)	50	100
Variable overhead	20	40
Total Fixed overheads= Rs. 15,000/-		

Comment on the profitability of each product when-

- I Raw material is in short supply
- II Production capacity is limited
- III Sales quantity is limited
- IV Sales value is limited
- V Only 1,000 litres of raw material is available for both the products in total and maximum sales quantity of each product is 300 units.

\*\*\*\*\*END OF THE PAPER\*\*\*\*\*