

(46)

No. of Printed Pages: 3

SARDAR PATEL UNIVERSITY

External Examination

SYBCA – SEMESTER-III

US03FBCA01 – Financial and Accounting Management

Date: 12/11/2013

Time: 02:30 P.M. to 05:30 P.M.

Marks: 70

- Q-1 Multiple choice question [10]**
- i) "Art & Science of recording business transaction in a systematic & chronological order" is known as _____
- a) Book keeping c) Accounting
b) Debiting d) Crediting
- ii) Immediately, below a journal entry written in the journal, a brief explanation of the transaction is given in the brackets is known as
- a) Journalising c) Narration
b) Posting d) All of above
- iii) Purpose of Sales Book is
- a) To record all sales made by the firm
b) To record payment due to creditors
c) To record all credit sales made by the firm
d) To record credit sales of goods
- iv) Interest on Drawing is _____
- a) Expenditure for the business c) Loss for the business
b) Gain for the business d) None
- v) The treasurer's function is to _____.
- a) See funds are correctly applied
b) Raise and manage company funds
c) See appropriate funding
d) Raise company funds
- vi) _____ have preference for dividend payment over ordinary shareholders.
- a) Debenture holders c) Equity share holders
b) Preference Share holders d) Top management
- vii) The break-even point is where
- a) Total sales equals total variable costs
b) Contribution margin equals total fixed costs
c) Total variable costs equal total fixed costs
d) Total sales equals total fixed costs
- viii) Quick ratio is also called _____.
- a) Current ratio. c) Activity ratio.
b) Leverage ratio. d) Acid test ratio
- ix) The current ratio measure the liquidity of a firm. The current ratio measures the relationship of a firm's _____
- a) Current assets to current liabilities
b) Fixed assets to fixed liabilities
c) Profit and Loss
d) None of these
- x) A _____ is a statement showing the financial position of business on a particular day.
- a) Profit & Loss A/c c) Balance Sheet
b) Trading A/c d) None

- Q-2** Answer the following (Any Ten) [20]
- [1] Write rules for debit and credit of different accounts.
 - [2] Define term Ledger with format.
 - [3] What do you mean by bad debts and bad debts recoverable?
 - [4] Define contra entry.
 - [5] Explain three columnar cash book with format.
 - [6] What is Profit & Loss Account?
 - [7] Differentiate real and financial assets.
 - [8] Discuss the role of CFO.
 - [9] Define the scope of financial management.
 - [10] Write the meaning of operating leverage.
 - [11] Define debtor's turnover ratio.
 - [12] Define cash breakeven point.

- Q-3** [A] Write the following transactions of shri Akhilesh in his Journal [07]
- | | | |
|------|----|--|
| 2005 | 1 | Akhilesh started business with cash Rs. 10,000, furniture Rs. 500 and stock of goods Rs. 1,000 |
| Dec | 4 | Opened a bank account and paid Rs. 7,500 in it. |
| | 6 | Sold goods to Sapana Rs. 250 for which cash Rs. 150 is received. |
| | 16 | Received an order for supplying goods from Mokshi Rs. 100 |
| | 17 | Sent goods to Mokshi as per order. |
| | 20 | Paid salary to Shilpa in cash Rs. 100 and paid by cheque Rs. 110 for stationary. |
| | 28 | Sapana paid Rs.95 and settled her account. |

- [B] Differentiate between book keeping and Accounting. [03]

OR

- Q-3** [A] What is Trial balance? Write purpose, advantages and disadvantages of it with format? [07]
- [B] Explain the following terms [03]
- i) Expenditure
 - ii) Solvent
 - iii) Creditors

- Q-4** Explain Straight line method and Sum of year's digit method of depreciation with example. [10]

OR

- Q-4** The following trial balance has been extracted from the book of shri Hari as on 31st March 2004. [10]

Trial Balance

| Particular | Debit(Rs.) | Credit(Rs.) |
|-----------------------------------|------------|-------------|
| Capital | | 36,175 |
| Drawing | 19,050 | |
| Purchase | 1,05,240 | |
| Sales | | 1,68,432 |
| Stock at 1 st Apr 2003 | 12,583 | |
| Debtors | 3,840 | |
| Creditors | | 5,294 |

| | | |
|---------------------|-----------------|-----------------|
| Returns | 975 | 1,237 |
| Discount allowed | 127 | |
| Commission received | | 243 |
| Wages and salary | 30,841 | |
| Rent | 8,796 | |
| Telephone charge | 355 | |
| Cash in hand | 155 | |
| Cash at bank | 21,419 | |
| Furniture | 8,000 | |
| Total | 2,11,381 | 2,11,381 |

Adjustment entries

- Closing stock at 31st March 2004 is Rs. 10000 and its market value is Rs. 12000.
- Depreciation on furniture 5%.

- Q-5 [A] Write a short note on uses of ratio analysis. [05]
[B] Explain dividend decision, liquidity decision. [05]
OR
- Q-5 [A] Discuss financial manager's role in business. [05]
[B] Write a short note on limitations of Ratio Analysis. [05]
- Q-6 [A] Explain liquidity ratio and leverage ratio in detail. [07]
[B] Explain CVP analysis for a multi product firm [03]
OR
- Q-6 [A] Explain activity ratio and profitability ratio in detail. [07]
[B] Explain Total Variable cost, Unit variable cost with graph. [03]

~~~~~Best Of Luck~~~~~

