

Seat No.: _____

[808A57]

SARDAR PATEL UNIVERSITY
S.Y.B.C.A - 3rd SEM. EXAMINATION

DATE: 21/11/2016, Monday

TIME: 2:00 P.M TO 5:00 P.M

SUBJECT: Financial & Accounting Management (US03FBCA01)

Total Marks: 70

Q:1 Multiple choice questions.

[10]

1. Quick ratio is also called _____.
a) Current ratio. c) Leverage ratio.
b) Activity ratio d) Acid test ratio
2. "Debit all expenses and losses Credit all incomes and gains" – is the debit and credit rule of _____ type of account.
a) Capital c) Personal
b) Nominal d) Real
3. _____ Discount is not recorded in the book of accounts.
a) Debtors c) Cash
b) Trade d) Bank
4. A Ledger Account is prepared from _____.
a) Events c) Transactions
b) Journal d) Trial Balance
5. The _____ will be added to the capital in the Balance sheet.
a) Gross Profit c) Loss Profit
b) Net Profit d) None
6. Which of the following is known as financial assets?
a) Shares c) both a) and b)
b) Debenture d) None of the above
7. The conflict between the shareholder's and management's goals is known as _____.
a) risk trade off c) CWM
b) Agency Problems d) all of the above
8. Which is not the type of ratios?
a) Current ratio c) Leverage ratio
b) Activity ratio d) None of the above
9. The Sales Book is best described as _____.
a) Containing customers' accounts c) Part of the double entry system
b) Containing real accounts d) A list of credit sales
10. _____ is a typical example of non cash expense in a firm.
a) Factory rent c) Raw material
b) Fix salary d) Depreciation

(P.T.O.)

Q:2

Answer the following questions. (Any Ten)

[20]

1. Explain the term debtors and creditors.
2. Write Rules for Debit and Credit of different accounts.
3. What is contra entry? Explain with small example.
4. What is a final account?
5. Explain the term 'Discount'.
6. What is depreciation? List methods to calculate depreciation.
7. Define the scope of financial management.
8. List out limitations of Ratio Analysis.
9. Explain Investment decision in brief.
10. Write the meaning of operating leverage.
11. Explain cash break even point in brief.
12. What do you mean by fixed cost?

Q:3

A. Journalize the following transactions of Mr. Raj Sharma in his journal.

[07]

2016

- Sept 1 Started business with cash Rs. 22000.
3 Purchased goods for cash from Mahesh Bros. Rs.6000.
5 Sold goods to Ketan Rs.1000.
7 Paid salary to the accountant Girish Rs.3000.
9 Received Rent Rs.2500.
11 Paid for son Chirag's college fees Rs. 5500.
13 Opened a bank account and paid Rs.7500 in it.

B. What is Trial Balance? State advantages and disadvantages of it.

[03]

OR

Q:3

- A. Define the term Ledger. Write its purpose, advantages and disadvantages. Also draw Format of it.
- B. Explain the term Accounting with its objectives.

[07]

[03]

Q:4

Enter the following Transactions in Cash Book with Discount Columns.

[10]

2016

		Rs.
June. 1	Cash in Hand	
„ 5	Paid to Ram	1500
	Discount allowed by him	300
„ 8	Purchased Goods	10
„ 10	Received from R.Gupta	400
	Discount allowed	980
„ 16	Sold Goods	20
„ 21	Paid to S. Sharma	400
	Discount Received	295
„ 25	Paid Wages	5
„ 31	Paid to Narayan in full settlement of their account which shows a credit balance of Rs.400.	50
		390

OR

Q:4 From the following Trial Balance of Shri Manish Desai prepare Final Account. [10]

Particular	Debit	Credit
Capital	-	36000
Creditors	-	8720
Bills Payable	-	2527
Sales	-	78182
Loan	-	12000
Debtors	3885	-
Salaries	4000	-
Discount	1000	-
Postage	273	-
Bad Debts	287	-
Interest	1295	-
Insurance	417	-
Machinery	10000	-
Opening Stock	9945	-
Purchases	62092	-
Wages	4300	-
Buildings	23780	-
Fixtures and Fittings	16155	-
Total:	137429	137429

Adjustments:

- 1) Charge depreciation on Machinery 4% and on Building 5%.
- 2) Allow 5% interest on capital.
- 3) Value on closing stock was 14300.

Q:5 A. Explain Organization of financial functions. [06]
B. Describe controller's and treasurer's function in the Indian context. [04]

OR

Q:5 A. Discuss Financial decision and dividend decision. [06]
B. Discuss financial manager's role. [04]

Q:6 A. Explain activity ratio and Liquidity ratio in detail. [06]
B. Define breakeven point. How would you compute the BEP? [04]

OR

Q:6 A. Explain leverage ratio and profitability in detail. [06]
B. What is CVP analysis? What are the advantages of it? [04]

— X —

