

SARDAR PATEL UNIVERSITY
M.Sc. (Information Technology) (INTEGRATED)
SEMESTER- III
External Examination -2016
PS03FIIT01- Financial and Accounting Management
18th October-2016.

TIME: - 02.00 P. M TO 05.00. P.M

Total 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 b) Accounting c) Debiting d) Crediting
- ii) The amount which is not recovered from debtors is known as _____
 a) Solvent b) Discount c) income d) Bad debts
- iii) _____ Discount is not recorded in the book of accounts.
 a) Debtors b) Cash c) Trade d) Bank
- iv) The account of a supplier would be found in:
 a) Sales book b) Purchases book c) General ledger d) Purchases ledger
- v) The _____ will be added to the capital in the Balance sheet.
 a) Gross Profit b) Net Profit c) Loss Profit d) None
- vi) _____ is the permanent and continuing diminution in the quality, quantity or value of an asset.
 a) Balance b) Depreciation c) Liability d) None
- vii) 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
- viii) Full form of CFO is _____.
 a) Chartered finance officer b) chief functional officer
 c) chartered functional officer d) Chief financial officer
- ix) Quick ratio is also called _____.
 a) Current ratio. b) Leverage ratio. c) Activity ratio. d) Acid test ratio
- x) The analytical technique used to study the behavior of profit in response to change in volume, cost, and price is called the...
 a) CVP analysis b) Ratio analysis c) operating leverage d) none of above

Q – 2 Short Answer attempt any ten (Each carry 2 marks)**[20]**

- i) Write rules for debit and credit of different accounts.
- ii) What do you mean by Accounting?
- iii) What is posting? And write purpose of ledger.
- iv) Define depreciation and list its types.
- v) Define contra Entry.
- vi) Explain Personal or Real or Nominal account.
- vii) Explain the term debtors and creditors.
- viii) What adjustment entries can be made in final accounts with respect to – Interest on capital?
- ix) List out the uses of ratio analysis. Explain any one in detail
- x) What is a final account?
- xi) List out the limitations of CVP analysis.
- xii) Write the meaning of operating leverage.

(P.T.O.)

①

- Q-3 A) What is Journal? Write purpose, advantages and disadvantages of it? Also draw format of Journal. [06]
 B) What is ledger? State advantages and disadvantages. [04]

OR

- Q-3 Journalise the following transactions in the journal of Mr. Rutul Kumar for the Month of July, 2016. [10]
 Jul 1. Mr. Rutul starts his business with a Capital of Rs. 10,000.
 Jul 2. Machinery Purchase Rs. 300.
 Jul 3. Goods Purchase from Ram in cash Rs. 5000.
 Jul 4. Goods Purchased from Jay on Credit Rs. 2200.
 Jul 5. Cash Sales Rs. 2000.
 Jul 6. Goods Purchased from Jayesh on credit Rs. 1920.
 Jul 7. Credit Sales to Hari Rs. 3200.
 Jul 8. Paid Cartage Rs. 70.
 Jul 9. Trade Expenses Paid Rs 200.
 Jul 10. Rent Paid Rs. 150.
 Jul 11. Sold Goods for cash Rs. 4000.
 Jul 12. Insurance Premium Paid Rs. 30.
 Jul 13. Paid Salary to a Clerk Rs. 325.

- Q-4 What is meaning of Ratio? And also explain the Advantages and limitation of Ratio Analyses. [10]

OR

- Q-4 Enter the following transactions in the Simple Cash Book of Mistry Traders: 2016 [10]
 April 1 Started Business with Cash 30,000
 "" 2 Goods Purchased for Cash 10,000
 "" 3 Furniture Purchased 1,000 "" 6 Goods Sold for Cash 7,000
 "" 9 Cartage paid 200
 "" 10 Postage 100
 "" 12 Cash Sales 3,000
 "" 14 Cash withdrawn for Personal use 2,000
 "" 18 Deposited into Bank 10,000
 "" 22 Goods purchased for Cash 13,000
 "" 25 Wages paid 500
 "" 27 Rent paid 3,000
 "" 28 Cash Sales 2,000
 "" 30 Commission received 500.

- Q-5 A) Explain different finance functions. [06]
 B) Explain utility of CVP analysis. [04]

OR

- Q-5 A) Discuss financial manager's role in business. [06]
 B) Explain Total variable cost, unit variable cost with graph. [04]

- Q-6 A) Explain liquidity and leverage ratio in detail. [06]
 B) Describe controller's and treasurer's functions in the Indian context. [04]

OR

- Q-6 A) Explain activity and profitability ratios in detail. [06]
 B) Define breakeven point. how would you compute the BEP [04]

— ✕ —
 (2)