

Term End Examination- December 2017
Diploma in Management
Course Title: Finance and Accounting for Management
Course Code-DIM-05

Time-3 Hours
Full Marks-100

Answer any four questions from Group-‘A’, any two questions from Group- ‘B’ and any three questions from Group-‘C’.

Group ‘A’

(Answer any four questions each within 100 words)

Marks: 5 X 4= 20

Q.No.1

- (a) Distinguish between Book-keeping from Accounting.
- (b) How does a business transaction differ from an event?
- (c) Explain the meaning of accounting equation.
- (d) Give two examples of Personal Accounts, Real Accounts and Nominal Accounts.
- (e) Explain the dual aspect concept.
- (f) What do you mean by journal?
- (g) What do you mean by Trend Analysis?

Group ‘B’

(Answer any two questions each within 250 words)

Marks: 10 X 2= 20

Q.No.2

- (a) What do you mean by Three Column Cash Book? Give a specimen of it.
- (b) Define a Ledger? Why is it known as the principal book of accounts? Also give its ruling.(3+2+5)
- (c) What do you mean by depreciation? Enumerate the different causes of depreciation. (2+8)
- (d) Journalize the following transactions 6

Date	Transactions	Rs.
2009		
Jan.1	Started business with cash	50,000
Jan.3	Sold Goods to Rohan	40,000
Jan .7	Goods purchased from Sohan	20,000
Jan.20	Paid Rent	500
Jan.25	Commission Received	200
Jan.30	Machinery purchased	10,000

P.T.O

(e) From the Balance sheets of ABC International, prepare common-size Statement

	(Rs.) as on 12/31/2015	(Rs.) as on 12/31/2016
Current assets		
Cash	Rs.1,200	Rs.900
Accounts receivable	4,800	3,600
Inventory	<u>3,600</u>	<u>2,700</u>
Total current assets	Rs.9,600	Rs.7,200
Total fixed assets	<u>6,200</u>	<u>5,500</u>
Total Assets	Rs.15,800	Rs.12,700
Current liabilities		
Accounts payable	Rs.2,400	Rs.1,800
Accrued expenses	480	360
Short-term debt	<u>800</u>	<u>600</u>
Total current liabilities	Rs.3,680	Rs.2,760
Long-term debt	<u>9,020</u>	<u>7,740</u>
Total liabilities	12,700	10,500
Shareholders' equity	<u>3,100</u>	<u>2,200</u>
Total liabilities and equity	Rs.15,800	Rs.12,700

Group 'C'

(Answer any three questions each within 500 words)

Marks: 20 X 3= 60

Q.No.3

- Define accounting. Explain the objectives and limitations of accounting.
- What do you mean by Comparative statement? Elaborate the comparative income statement with a suitable example?
- What do you mean by accounting information? Briefly narrate the different users of accounting information.
- On 1st January 2012, X Ltd. purchased a machinery for Rs.97,000 and spent Rs.3,000 on its erection. On 1st July, 2012, an additional machinery costing Rs.40,000 was purchased. On 1st July, 2014, the machine purchased on 01.01.2010 was sold for Rs.20,000. Show the Machinery Account for the first four Calendar years according to the written down value method taking the depreciation at 10% p.a
- From the following balances extracted from the books of X & Co., prepare a trading and profit and loss account and balance sheet on 31st December, 2016.

	Rs.		Rs.
Stock on 1st January	11,000	Trade expenses	200
Bills receivables	4,500	Office fixtures	1,000
Purchases	39,000	Cash in hand	500
Wages	2,800	Cash at bank	4,750
Insurance	700	Tent and taxes	1,100
Sundry debtors	30,000	Carriage outwards	1,450
Carriage inwards	800	Sales	60,000
Commission (Dr.)	800	Bills payable	3,000
Interest on capital	700	Creditors	19,650
Stationary	450	Capital	17,900
Returns inwards	1,300	Returns outwards	500

The stock on 21st December, 1991 was valued at Rs.25,000.