

Term End Examination – June, 2017
Program Title: Diploma in Management
Course Title: Finance and Accounting for Management
Course Code: DIM-5
(Session 2016-17)

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) What do you mean by accounting period? Why is the life of a business divided into periods? (2+3)
- (b) What do you mean by current assets and current liabilities? (5)
- (c) What is meant by outstanding expenses and current expenses? (5)
- (d) What do you mean by going concern concept? (5)
- (e) What do you mean by dividend decision? (5)
- (f) What do you mean by time value of money? (5)
- (g) What do you mean by trade credit? Why is it considered as a source of short-term finance? (2+3)

Group ‘B’

(Answer any two questions each within 250 words)

Marks: 10 X 2= 20

Q.No.2

- (a) What do you mean by accounting cycle? Briefly explain the different stages of accounting cycle. (3 + 7)
- (b) Why is Journal treated as a book of original entry? Briefly discuss the writing up of journal with a suitable example. (3+7)
- (c) What do you mean by Profit and loss Account? What are the differences between profit and loss account and balance sheet? (3+7)
- (d) Critically analyze the functions of a financial manager in a large scale industrial establishment. (10)
- (e) “Market price is an indicator of company’s performance.” Comment. Discuss the factors which affect the market price of share of a company? (4 + 6)

Group ‘C’

(Answer any three questions each within 500 words)

Marks: 20 X 3= 60

Q.No.3

- (a) What is the importance of comparative statements to management? Illustrate your answer with particular reference to comparative Revenue Statement and state briefly how these statements are prepared. (5+15)
- (b) What short notes on: (2X10=20)
 - (i) Trend analysis
 - (ii) Liquidity ratios

(c) What do you mean by long-term finance? Enumerate the different sources of long-term finance along with their advantages and disadvantages. (4+16)

(d) What do you mean by depreciation? Explain the straight line method and diminishing balance method of depreciation with suitable example. (4+16)

(e) The following is the data of Manchandra Ltd.

Particulars	Amount (in Rs.)
Sales	6,12,000
Sales Returns	12,000
Opening Stock	60,000
Closing Stock	50,000
Purchases	3,60,000
Purchase Returns	10,000
Direct Expenses	90,000
Administrative Expenses	50,000
Discount	4,000
Selling and Distribution Expenses	25,000
Interest on Long-term loans	15,000
Interest on Short-term loans	6,000

Calculate:

- (a) Gross Profit Ratio
- (b) Net Profit Ratio
- (c) Operating Ratio