

- x. Which of the following is true about financial statements?
- A) Financial statement gives a summary of accounts.
 B) Financial statements can be stated as recorded facts.
 a) Only A
 b) Only B
 c) Both A and B
 d) None of the above

GROUP – B

Q.No. 2. Answer any 4 questions each within 50 words. Each carries 5 marks [5 X 4 = 20]

- a) What is a ledger? Discuss the format of a Ledger Account.
 b) Explain Depreciation, Depletion and Amortization.
 c) Describe profit maximization.
 d) What are the meaning & objectives of Accounting?
 e) What are the rules of Debit and Credit?
 f) Narrate the objectives of financial statement analysis.

GROUP – C

Q.No.3. Answer any 4 questions each within 200 words. Each carries 10 Marks [10 X 4 = 40]

- a) What are the different Characteristics of Financial Management?
 b) Discuss the different Adjustment Entries in Final Accounts.
 c) Discuss Borrowed Capital with its advantages and disadvantages
 d) Discuss the meaning, objective and advantages of Trend Analysis,
 e) Your accountant has submitted to you the following trail balance:

Name of Account	Debit(Rs.)	Credit(Rs.)
Capital		10,00,000
Cash		3,00,000
Purchases	9,00,000	
Sales		25,00,000
Cash at bank	6,00,000	
Furniture	2,50,000	
Equipment	14,00,000	
Lighting and heating	65,000	
Bills receivables		1,00,000
Salaries	1,00,000	
Creditors		1,90,000
Debtors	1,50,000	
Opening stock (1.4.2010)	1,00,000	
Printing expenses	25,000	
Bills payable	3,00,000	
Insurance	20,000	
Discount received	45,000	
Discount allowed		25,000
Total	39,55,000	41,15,000

Required

- a. You notice that the total of debit and credit balances in the trial balance does not match.
 b. You are required to draft the trial balance correctly.

- f) Prepare different ledgers from the following transactions in the books of Mr. N
- i. Started business with capital Rs.1,00,000
 - ii. Bought furniture Rs.25,000
 - iii. Bought goods for cash Rs.20,000
 - iv. Bought goods from Ram on Credit Rs.5,000
 - v. Sold goods for cash for Rs.15,000
 - vi. Sold goods to Shyam on credit Rs.8,000
 - vii. Paid cash to Ram Rs.4,000
 - viii. Received cash from Shyam Rs.5,000
 - ix. Paid Cash into Bank Rs.25,000
 - x. Withdrawn from bank Rs.10,000

GROUP – D

Q.No.4. Answer any 2 questions each within 250 words. Each carries 15 Marks. [15 X 2 = 30]

- a) Briefly discuss responsibilities of Modern Finance Manager.
- b) Discuss the sources from which a big business enterprise can raise funds for financing its working capital requirements.
- c) From the following Trial Balance of Mr.Suresh, prepare Trading and Profit & Loss account for the year ended 31-3-2017 and a Balance Sheet as on that date:

Particulars	Amounts (Rs.)	Particulars	Amounts (Rs.)
Drawings	10000	Sales	650000
Insurance	2500	Capital	750000
General expenses	7800	Purchases Returns	5000
Debtors	75000	Creditors	55000
Furniture	125000	Loan	400000
Plant & machinery	400000		
Building	575000		
Stock (1-4-2016)	25000		
Carriage inwards	5000		
Carriage outwards	7500		
Salary & wages	70200		
Power & fuel	7500		
Productive wages	15500		
Sales Returns	4000		
Purchases	480000		
Cash in hand & at bank	50000		
Total	1860000	Total	1860000

At the end of the year it found that closing stock was Rs.40,000, outstanding Salaries was Rs.3,000 and depreciation was Rs.8,000 on fixed assets.

- d) The following information has extracted from the annual reports of XYZ Ltd. Find out
 - i. Current ratio and Quick ratio
 - ii. Debtor turnover ratio
 - iii. Debt Equity Ratio
 - iv. Net profit Margin

Balance Sheet		
(Amount in Rs.)		
Liabilities	2011-12	2012-13
Share Capital	150000	150000
Reserves & Surplus	700000	950000
Net Worth	850000	1100000
Term Loans	1250000	1600000
Current Liabilities	250000	300000
Total Liabilities	2350000	3000000
Assets		
Fixed Assets	1700000	1900000
Investment	265000	665000
Inventories	85000	100000
Sundry Debtors	225000	210000
Cash And Bank	75000	125000
Total Assets	2350000	3000000

Income Statement (Amount in Rs.)	
Particulars	2012-13
Sales	1000000
Cost of goods sold	550000
Gross Profit	450000
Other Expenses	200000
Interest	30000
Depreciation	20000
Profit Before Tax	200000
Tax	60000
Profit After Tax	140000