

- (d) Flamhoitz
- 1-d. In cash book, the favorable balance indicates: (CO2) 1
- (a) Credit Balance
 - (b) Debit Balance
 - (c) Bank Overdraft
 - (d) Adjusted Balance
- 1-e. Journal is also called as: (CO3) 1
- (a) A day book
 - (b) History book
 - (c) Ledger book
 - (d) An entry book
- 1-f. The ledger column that links the entry with the journal is called as: (CO3) 1
- (a) J.F column
 - (b) L.F column
 - (c) Credit column
 - (d) Debit column
- 1-g. Debt-equity ratio is a sub-part of: (CO4) 1
- (a) Short-term solvency ratio
 - (b) Long-term solvency ratio
 - (c) Debtors turnover ratio
 - (d) None of the above
- 1-h. Main objective of Trend Analysis is: (CO4) 1
- (a) To make comparative study of the financial statements for a number of years
 - (b) To indicate the direction of movement
 - (c) To help in forecasts of various items
 - (d) All of the Above
- 1-i. Investment in current assets should be: (CO5) 1
- (a) just adequate
 - (b) More
 - (c) Less
 - (d) Maximum

- 1-j. Funds Flow Statement holds significance for: (CO5) 1
- (a) Shareholders
 - (b) Financiers
 - (c) Government
 - (d) All of the above

2. Attempt all parts:-

- 2.a. Explain with help of example the going concern concept of Accounting. (CO1) 2
- 2.b. "Accounting standard ensures the consistency and comparability of financial statements." Explain. (CO2) 2
- 2.c. Enumerate any four advantages of ledger. (CO3) 2
- 2.d. Describe the common size financial statement and mention its utility. (CO4) 2
- 2.e. Differentiate between fund flow statement and cash flow statement. (CO5) 2

SECTION B

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3. Answer any five of the following:-

- 3-a. Prepare accounting equation from the following information. (CO1) 6
- Sandeep started business with cash Rs1,00,000
Purchased furniture with cash Rs5,000
Purchased goods for cash Rs20,000
Purchased goods on credit Rs36,000
Paid rent Rs700
Goods costing Rs40,000 sold at a profit of 20% for cash.
- 3-b. Distinguish between book keeping and accounting. (CO1) 6
- 3-c. Draw the format of trading and profit & loss account. (CO2) 6
- 3-d. Discuss the treatment of provision for doubtful debts in final accounts. (CO2) 6
- 3.e. Mr. Nirmal has the following transactions in the month of April. Pass journal entries for the transactions. (CO3) 6
- Commenced business with a capital of Rs1,00,000.
Purchased goods from Veeru for Rs20,000.
Purchased goods for Cash Rs15,000.
Purchased goods from Abhiram for cash Rs9,000.
Bought Goods from Shyam on credit Rs12,000.
Sold goods worth Rs15,000 to Tarun.
- 3.f. Define financial statement analysis. Also explain its importance. (CO4) 6

3.g. Describe the aggressive policy of working capital financing. (CO5) 6

SECTION C

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4. Answer any one of the following:-

4-a. Distinguish between cash basis and accrual basis of accounting. (CO1) 10

4-b. On July 01, 2010, Ashok Ltd. Purchased a Machine for Rs1, 08,000 and spent Rs12,000 on its installation. At the time of purchase it was estimated that the effective commercial life of the machine will be 12 years and after 12 years its salvage value will be Rs12,000. Prepare machine account and depreciation account in the books of Ashok Ltd. for first three years, if depreciation is written off according to straight line method. The accounts are closed on December 31st of every year. (CO1) 10

5. Answer any one of the following:-

5-a. Explain adjustment entries. Discuss their need while preparing final accounts. (CO2) 10

5-b. Explain the secret reserves. Enumerate their advantages and disadvantages. (CO2) 10

6. Answer any one of the following:-

6-a. Explain the reasons on account of which the balances as shown by the pass book does not agree with the balances as shown by the bank column of the cash book. (CO3) 10

6-b. "Trial balance is not a conclusive proof of the accuracy of the books of accounts." Explain this statement. (CO3) 10

7. Answer any one of the following:-

7-a. Explain the significance and limitations of the debt equity ratio as a measure of the firms solvency. (CO4) 10

7-b. State the need of financial analysis. Discuss the role of ratio analysis technique in financial analysis. (CO4) 10

8. Answer any one of the following:-

8-a. 'Length of operating cycle is a major determinant of working capital needs of a business firm.' Explain. (CO5) 10

8-b. Differentiate between cash flow statement and funds flow statement. (CO5) 10