

## BBA 2nd Semester Exam., 2014

## FINANCIAL MANAGEMENT—1

## ( Financial Accounting )

Time : 3 hours

Full Marks : 60

## Instructions :

- (i) All questions carry equal marks.
- (ii) There are **SEVEN** questions in this paper.
- (iii) Attempt **FIVE** questions in all.
- (iv) Question Nos. 1 and 2 is compulsory.

1. State whether the following statements are True or False (any six) :

- (a) The 'current liabilities' is used to denote those liabilities which are payable after a year.
- (b) The terms 'current assets' and 'liquid assets' have synonymous meaning.
- (c) All intangible assets are fictitious assets.
- (d) Stock at the end, if appears in the Trial Balance, is taken only to the Balance Sheet.

- (e) Goods taken out by the proprietor from the business for his personal use are credited to Sales Account.
- (f) 'Salary paid in advance' is not an expense because it neither reduces assets nor increases liabilities.
- (g) The terms 'accrued income' and 'outstanding income' have synonymous meaning.
- (h) Cash flow statement describes the inflow and outflow of cash.
- (i) Cash flow statement is a summary of cashbook.
- (j) Funds flow statement and Cash flow statement are one and the same.

2. Answer any three of the following :

- (a) What do you mean by assets?
- (b) What is variance?
- (c) What is Profit & Loss A/c and what is its advantage?
- (d) What is depreciation and why is depreciation change on Fixed Assets?
- (e) Explain opening stock.

3. What do you mean by standard costing and what are its advantages?
4. Explain ratio analysis. What are its limitations?
5. Differentiate between Cash Flow Statement and Funds Flow Statement.
6. The following data have been taken from the financial records of a company :

	₹
Sales	1,50,000
Variable Overheads	90,000
Fixed Overhead	45,000

From the above information, you are required to compute—

- (a) P/V Ratio;
- (b) BEP;
- (c) Margin of Safety (M/S).
7. Calculate Prime Cost, Factory Cost, Cost of Production, Cost of Sales and Profit from the following particulars :

Particulars	Amount
	₹
Direct Materials	1,00,000
Direct Wages	25,000
Direct Expenses	5,000
Wages of Foreman	2,500

( Turn Over )

Particulars	Amount
	₹
Electric Power	500
Lighting :	
Factory	1,500
Office	500
Rent :	
Factory	5,000
Office	2,500
Salaries to Salesman	1,250
Advertising	1,250
Income Tax	10,000
Sales	1,89,500

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