

(3 Hours)

Total Marks: 80

- N.B. (1) Question No. 1 is compulsory.**  
**(2) Attempt any Three from the remaining Five questions.**  
**(3) Answers to questions should be grouped and written together.**

Q.1 A From the following Trial Balance of Mr Swami, prepare Trading & Profit & Loss A/c for the year ended 31<sup>st</sup> March, 2018 & a Balance sheet as on that date. [10]

	Debit (Rs )	Credit (Rs )
Capital		38,000
Drawings	2,500	
Purchases	16,000	
Sales Returns	400	
Purchase Returns		900
Furniture	6,000	
Sales Cash		12,000
Sales Credit		16,000
Buildings	12,000	
Opening Stock	6,000	
Sundry Expenses	500	
Bills Payable		900
Commission Received		250
Rent, Rates & Taxes	250	
Wages & Salaries	7,250	
Carriage Inwards	250	
Carriage Outwards	350	
Bills Receivable	800	
Travelling Expenses	600	
Bad Debts	400	
Sundry Debtors	10,800	
Insurance Premium	300	
Postage	150	
Motor car Expenses	1,200	
Cash-in-Hand	880	
Sundry Creditors		4,380
Motor Car	5,800	
	<b>72,430</b>	<b>72,430</b>

Adjustment –  
 Closing Stock on 31<sup>st</sup> march 2018 amounted to Rs 12,250. Market value of stock of Rs 14,000.

B Define Financial Management? Briefly explain the role of financial manager.

[10]

- Q.2 A. Journalise following transactions in the books of Rishi Traders [10]
- Feb 1, 2018 Business Started with Cash Rs 50,000
  - Feb 2 Cash Deposited into Bank Rs 24,000
  - Feb 3 Goods purchased from Rima & paid by cheque Rs 7,000
  - Feb 4 Sold goods & cheque received from Rani Rs 12,000
  - Feb 5 Purchased goods from Rasna Rs 8,000
  - Feb 6 Purchased goods from Ms.Rita Rs 3,000
  - Feb 7 Paid salary to Rina, a typist Rs 4,000
  - Feb 8 Purchased furniture of Rs.10000 & payment paid by cheque
  - Feb 9 Withdraw cash for personal use Rs.8000
  - Feb 10 paid Rent Rs.10000 by cheque.

- B. what are the advantages of Double Entry system of Book-keeping? [10]

- Q.3 A. Prepare Cash budget for March-May 2016 from the following information [10]

Month	Credit Sales (Rs.)	Credit Purchases (Rs.)	Office expenses (Rs.)	Other expenses (Rs.)
January	289000	272000	12000	5000
February	122500	228000	9000	6000
March	169000	110000	8000	5000
April	107000	128000	9000	8000
May	120000	151000	8000	6000
June	198000	140000	10000	9000

**Other information:**

- 1) Cash balance as on 1<sup>st</sup> March is Rs.10000.
- 2) Credit allowed by supplier is two month.
- 3) Credit allowed to customer is one month.
- 4) Delay in payment of office expenses and other expenses are one month.
- 5) Dividend received Rs.5000 in the month of April
- 6) Interest paid Rs.3000 in the month of May

- B. Explain with diagram the Break Even Point, its Uses & Limitations [10]

Q.4 A. Profit & Loss Statement for the year ending 31<sup>st</sup> December 2018

[10]

Particulars	Rs	Rs
Sales :Cash	64,000	
Credit	6,84,000	
Total Sales	7,48,000	
Less: Cost of Sales	5,96,000	
Gross Profit		1,52,000
Less: <b>Expenses :</b>		
Ware housing Transport	48,000	
Administration	38,000	
Selling	28,000	
Debenture Interest	4,000	1,18,000
Net Profit		<b>34,000</b>

**Balance Sheet:**

Particulars	Rs	Particulars	Rs
Share Capital	1,50,000	Fixed Assets (Net)	80,000
Reserves	60,000	<b>Current Assets :</b>	
Profit & Loss	24,000	Stock	1,88,000
Debentures	60,000	Debtors	1,64,000
Current Liabilities	1,52,000	Cash	14,000
	<b>4,46,000</b>		<b>4,46,000</b>

From the above Information Calculate all four give ratios:

Current Ratio, Liquid Ratio, Net Profit Ratio & Debtors Turnover Ratio

B. Explain ARR and Payback Period in detail.

[10]

Q.5 A. Explain following: (Attempt All)

[10]

- WACC
- Degree of Operating Leverage
- Degree of Financial Leverage
- Capital Gearing Ratio
- Cost of Equity

B. Explain role of Financial Accounting & Cost Accounting

[10]

Q.6 A. Explain with example difference between Fund Flow Statement & Cash Flow Statement

[10]

B. Explain with two examples two ratios used for measuring liquidity of a company

[10]

\*\*\*\*\*