

**5 year IMCA 5<sup>th</sup> sem. End Term (R&B) Examination 2020 held in 2021**  
**Accounting and financial management , Paper –5, Full mark-70,**  
**Time: 3 Hours, All questions carry equal mark.**

1. What is the use of GAAP? Briefly discuss the concepts and conventions which are required for recording and reporting purpose and explain the parties for whom financial statements are reported. **14**

OR

By taking **seven** imaginary transactions record them into journal, post into ledger and prepare a trial balance in balance method. **14**

2. A. What are the types of cash book? Explain the various reasons of disagreement of cash book balance with pass book balance. **7x2**  
 B. What are the objectives, causes and factors of depreciation? And explain any two methods of depreciation.

OR

From the following balances extracted from the books of a trader and other information Prepare income statement and a Balance sheet as on 31st March 2016. **14**

Ledger Accounts	Debit Amounts	Credit Amounts
Opening stock	30,000	
Purchases & Sales	1,50,000	3,21,000
Returns	10,000	5,000
Bad debt and provision for bad debt	7,000	6,000
Capitals and Drawings	24,000	1,00,000
Debtors& Creditors	2,00,000	1,20,000
Office Expenses	12,000	
Salaries	30,000	
Wages	20,000	
Rent & rates	5,000	
Land and Building	10,000	
Provision for depreciation		2,000
Furniture and fixture	20,000	
Cash and Bank Balance	10,000	
Investment	10,000	
Printing & Stationery	8,000	
Interest& commission		4,000
Insurance	12,000	
<b>Total</b>	<b>5,58,000</b>	<b>5,58,000</b>

Adjustments

- Value of Closing Stock is ₹ 60, 000.
- Prepaid insurance ₹. 2,000.
- Charge depreciation on building and furniture 15% and 10% respectively.
- Provide for outstanding office expenses ₹ 8,000.

3. What do you mean by cost? Briefly classify different types of cost. And explain the advantages of preparing statement of cost. **14**

OR

What are the primary financial statements? Briefly discuss the tools and techniques of financial statement analysis. **14**

4. The following figure of sales and profit for two periods are available in respect of a concern:

Period	Sales (₹)	Profit (₹)
I	10,00,000	1,50,000
II	12,00,000	2,30,000

You are required to find :

- i. Profit Volume Ratio.
- ii. Fixed cost.
- iii. Break Even Point.
- iv. Profit at an estimated sales ₹12,50,000
- v. Sales required to earn a profit of ₹2, 00,000.

OR

Distinguish between marginal costing and absorption costing. Briefly discuss the Break-Even Analysis with graphs and assumptions. 14

5. The expenses for the production of 5000 thousand units in a factory are given as follows: 14

Items	Per unit. ₹
Materials	500
Labour	200
Variable Overhead	150
Fixed overhead(₹5,00,000)	100
Administrative Overhead (5% variable)	100
Selling Expenses(20% fixed)	60
Distribution Expenses( 10% fixed)	50
Total cost of sales per unit	1,160

You are required to prepare a budget for the production of 7,000 units.

OR

What do understand by budget and budgetary control? Explain the essential of budgetary control system. Briefly discuss the different types of budgets. 14