



# Sanjay Ghodawat University, Kolhapur

2017-18

Established as State Private University under Govt. of Maharashtra. Act No XL, 2017

Year and Program:- BBA

School of Commerce and  
Management

Department:- Management

Course Code:-MBC103

Course Title:- Financial &  
Management Accounting

Semester – Odd (I)

Day and Date *26 Dec 2017*

End Semester Examination (*Re*) Time: 3 hrs, Max Marks: 100

Instructions:

- 1) All Questions are compulsory.
- 2) Use of simple calculator is allowed.

Marks COs

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|--------|--|----|---------|
| Q.1 a) | State the following any five statements whether True or False.                             | 10 |         |
|        | i. Accounting is developed as a system for reporting information to the owners.            |    | CO103.1 |
|        | ii. Financial accounting aims at reporting the activities of the business to the managers. |    | CO103.2 |
|        | iii. Double entry accounting reflects the matching concept                                 |    | CO103.1 |
|        | iv. Conservatism is the Accounting Concepts.   |    | CO103.2 |
|        | v. Disclosure of accounting policies- AS -1  |    | CO103.1 |
|        | vi. Profit & Loss A/c shows financial position of companies.                               |    | CO103.1 |
| b)     | Define any five of Following Concepts  | 10 |         |
|        | i. Margin of Safety  |    | CO103.4 |
|        | ii. Budget   |    | CO103.4 |
|        | iii. Break-even Point  |    | CO103.4 |
|        | iv. Direct cost  |    | CO103.3 |
|        | v. Prime cost  |    | CO103.3 |
|        | vi. Cash Budget  |    | CO103.3 |

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- Q.2 Solve/answer any Two
- a) Define Financial Accounting, and explain the various users of accounting information. 10 CO103.1
- b) Explain the concepts of Financial Accounting 10 CO103.1
- c) What do you mean by Accounting Standards? Explain the Objectives of Accounting Standards. 10 CO103.1

- Q.3 Solve/answer any Two
- a) Journalize the following transactions in the books of Priya & Company for the month of April 2015. 10 CO103.2

- 1 Priya started Business with Cash Rs.20,000 and Furniture Rs.10,000
- 2 Paid into bank Rs.10,000
- 4 Purchased goods from Mohan on credit for Rs.5,000
- 6 Paid to Mohan Rs. 4,920
- 6 Discount allowed by him Rs. 80
- 10 Sold goods of Rs.10000 for cash.
- 15 Sold to Rajesh goods worth Rs.5000
- 18 Withdraw for personal use Rs. 1000
- 20 Paid Rent Rs.1000 in cash.
- 28 Paid telephone bill of Rs.300 through cheque.

- b) You are given the following information from the books of Girish Co. Ltd., as on 31<sup>st</sup> March 2016, Prepare statement of Profit & Loss Account as per the revised schedule. 10 CO103.2

Girish & Co. Ltd			
Trial Balance as on 31 <sup>st</sup> March 2016			
Particulars	Amount	Particulars	Amount
Depreciation on premises	8000	Sales	1240000
Material Consumed	800000	Equity share capital	800000
Opening Stock	40000	Outstanding wages	6000
Salaries	114000		

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Bad Debts	3800		
Bonus To Employee	20000		
Interest on Loan	16000		
Depreciation on machinery	18000		
Conveyance	4000		
Loss on sale of machinery	20000		
Insurance	16200		
Sales Return	40000		
Provision for tax	60000		
Machinery	600000		
P.F. Contribution	86000		
Premises	160000		
Computer	40000		
	2046000		2046000
Additional Information: Closing stock was valued at Rs.120000			

- c) Draw format of Profit & loss A/c and Balance sheet as per revised Schedule. 10 CO103.2

Q.4 Solve/answer any Two

- a) What do you mean by Management accounting? Explain the Role of management accounting. 10 CO103.3
- b) Explain the element of Cost and draw the format of Cost sheet. 10 CO103.3
- c) Explain the difference between Financial Accounting and Management Accounting. 10 CO103.3

Q.5 Solve/answer the following

- a) Ajit company has production capacity of 75000 units, but at present company produces 60000 units and sales in market at Rs 2 per unit. The variable cost is Rs. 75000 and fixed cost is Rs. 25000. 10 CO103.4

If a foreign customer gives offer for 15000 units at Rs. 1.50 per unit, with extra packing and transportation cost Rs. 1200.

1. Can we accept foreign order? Explain why?

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2. If the same order offered from local market, should company accept? Comment your views.

- b) Prepare cash budget for three months ending on 30<sup>th</sup> June 2003 from the following information.

10 CO103.4

Months	Sales Rs.	Material Rs.	Wages Rs.	Overheads Rs.
February	14000	9600	3000	1700
March	15000	9000	3000	1900
April	16000	9200	3200	2000
May	17000	10000	3600	2200
June	18000	10400	4000	2300

Credit terms are: 10% sales are on cash, 50% of the credit sales are collected next month and the balance in the following month.

Creditors: for material- 2 months, for wages  $\frac{1}{4}$  months, for overheads-  $\frac{1}{2}$  months. Cash and bank balance on 1<sup>st</sup> April 2003 is expected to be Rs.6000, other relevant information is as under:

1. Machinery will be installed in February 2003 at a cost of Rs.96000 the monthly installments of Rs.2000 payable from April onwards.
2. Dividend at 5% on preference share capital of Rs.200000 will be paid on 1<sup>st</sup> June 2003.
3. Advance to be received for sale of vehicle Rs.9000 in June.
4. Dividend from investment Rs.1000 is expected to be received in June.
5. Advance income tax to be paid in June Rs.2000

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