0104M001 Candidate's Seat No :__________

M.Com. (HPP) Semester-I Examination
(Finance and Financial Services/AAA)
CC 5 : Accounting for Finance
April 2021

Time : 2-00 Hours] **[Max. Marks : 50**

SECTION : I

(Attempt any TWO questions out of given questions from section I)

Q-1.A. Give the meaning of Accounting Standard and state the composition of the Accounting Standard Board in India.(10)

B. Write a detailed note on the internal and external users of financial statements.(10)

Q-2. A. On the basis of the following ratios and information, **find out Debtors, Creditors, Capital Employed and Fixed assets.(10)**

Gross profit ratio	20%
Stock turnover ratio	5 times
Average debt collection period	3 months
Editors velocity	3 months
Fixed assets to capital employed	75%
Preference shares capital and debentures to equity	30%
Net profit to issued equity capital	10%
General reserve and profit and loss to issued equity capital	25%
Preference share capital to debentures	2

Cost of sales consist of 50% for materials

Gross profit Rs.6,25,000

B. With the help of the given Balance Sheet, **prepare a cash flow statement.(10)**

Liabilities	31-12-2019	31-12-2020	Assets	31-12-2019	31-12-2020
Capital	7,39,000	6,15,000	Fixed assets	7,00,000	5,80,000
Bills Payable	29,000	25,000	Stock	8,000	13,000
			Debtors	20,000	17,000
			Cash	40,000	30,000
	7,68,000	**6,40,000**		**7,68,000**	**6,40,000**

PTO

Q-3 A. From the following information, **ascertain the cost of goods sold at LIFO method and then reinstate the same into the 2002– 2003 end purchasing power method. (10)**

Stock on 1-4 -2002	Rs. 20,000
Purchases during 2002– 2003	Rs. 1,20,000
Stock on 31- 3-2003	Rs.30,000
General price index number :	
On 1-4-2002	100
On 31'3- 2003	150
Average for the year 2002-3	125

B. Write short **notes on any two** from the following: (10)

1. Need for Human Resource Accounting
2. Importance of Value Added Accounting
3. Scope of Social Accounting
4. Different forms of Environmental Accounting

Q-4.A. Discuss the advantages and disadvantages of budgetary control. (10)

B. From the following information, **calculate the following:** (10)

1. P / V ratio
2. Profit when sales are Rs. 2,00,000
3. Sales required to earn a profit of Rs.40,000
4. Margin of safety for December 2020

November 2020 sales Rs. 2,40,000 and profit Rs. 18,000

SECTION II (10)

(Attempt any five)

1. The difference between current assets and liquid assets is :
   a. Bank overdraft
   b. Closing stock
   c. Bills receivable
   d. Cash balance
2. Which one of the following is not a financial activity as per cash flow statement?

a. Payment of proposed dividend
b. Issue of equity share capital
c. Redemption of preference share capital
d. Payment of taxes

3. The full form of GAAP is :
   a. Globally accepted accounting practises
   b. Globally accepted accounting principles
   c. Generally accepted accounting practises
   d. Generally accepted accounting principles
4. Which one of the following is considered as non-monitory item with reference to inflation accounting?
   a. Debtors
   b. Closing stock closing stock
   c. Cash balance
   d. Bank balance
5. While preparing value-added statement, which of the following is not shown under the heading of value added retained by the business?
   a. Transfer to general reserve
   b. Bad Debts reserve
   c. Both of the above
   d. None of the above
6. At the break - even point,
   a. Only variable costs are recovered
   b. Only fixed costs are recovered
   c. Both variable and fixed cost is recovered
   d. None of the above
7. Which of the following financial statement is not mandatory to prepare for a listed company?
   a. Income statement
   b. Statement showing financial position
   c. Cash flow statement
   d. Fund flow statement
8. The full form of IFRS is:
   a. Indian Financial reporting standards

MO1 - 4

b. International financial reporting standards
c. Indian forensic reporting standards
d. None of the above

9. Which of the following is not a cash equivalent?
    a. Cash balance
    b. Bank balance
    c. Easily marketable securities
    d. Long term investments
10. What are the limitations of zero based budgeting?
    a. Not suitable for short-term budgets
    b. Expensive
    c. Non-cooperation from employees
    d. All of the above
11. The cost of forgone alternatives is known as:
    a. Historical cost
    b. Relevant cost
    c. Sunk cost
    d. Opportunity cost
12. Which costs are not recorded in the accounting books?
    a. Direct costs
    b. Indirect costs
    c. Fixed costs
    d. Imputed costs