

2. Answer any eight from the following questions (each within 50 words):

2×8 = 16

- (a) Write different areas covered by accounting.
- (b) What are the objectives of ratio analysis?
- (c) Write two advantages of a good budgetary control system.
- (d) What is break even point?
- (e) What is debenture?
- (f) Give two features of cash book.
- (g) Write the components of financial statements.
- (h) What is liquidity ratio?
- (i) What are the different types of cost centres?
- (j) Write two purposes of budget.

3. Answer any five from the following questions (each within 100 words):

4×5 = 20

- (a) Write the different steps for preparation of bank reconciliation statement.
- (b) Give four characteristics of Balance Sheet.
- (c) What do you mean by mandatory information in preparation of annual report.
- (d) Explain how cash flow statement is prepared.
- (e) Point out four important advantages of ratio analysis.
- (f) Write the objectives of preparing cost sheet.
- (g) Explain the use of marginal costing.

4. Answer any two from the following questions (each within 250 words)

8×2 = 16

- (a) Why a clear understanding of various cost concepts is essential? Discuss various cost concepts.
- (b) What is working capital? List out the sources of working capital. Discuss about estimation of working capital.

(c) Prepare a double column cash book from the following:

January 1 Opening balance Rs. 13,000

January 2 Goods sold to Ram Rs. 3,500 and received half the amount in cash after allowing
5% discount

January 6 Purchases for cash Rs. 2,900

January 9 Cash received from sales of machinery Rs. 3,100

January 15 Paid to Madhu Rs. 180 and received discount of Rs. 20

January 17 Cash sales Rs. 2,000

5. Answer any two from the following questions

10×2 = 20

(a) Briefly describe different formats for preparation of balance sheet.

From the following information prepare a balance sheet of Mr. Pathak as on 31st December, 2013.

Debit balancer	Amount	(Rs.) Credit balance	Amount (Rs)
Land and Building	80,000	Bank Overdraft	20,000
Plant and Machinery	52,000	Creditors	21,000
Furniture	10,000	Bills Payable	7,000
Investments	27,000	Reserve	12,000
Cash in hand	40,000	Net Profit	73,000
Bills Receivable	12,000		
Closing stock	54,000		
Drawings	<u>15,000</u>		
	<u>2,93,000</u>		<u>2,93,000</u>

(b) Discuss about various ratios used in analyzing financial statements.

(c) What is variance analysis? What are the advantages of marginal costing.