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|  | SRI INDU COLLEGE OF ENGG & TECHNOLOGY (Regulation :R20) Department of CSE (AI&ML) | | | Prepared on oct-12-2021 |
| | Sub. Code & Title | | R20CSE2201 Business Economics and Financial Analysis | |
| | Academic Year: 2021-22 | | Year/Sem./Section | II-I- CSE |
| | Faculty Name & Designation | | T.JAYA KRISHNA , ASST.PROFESSOR | |

QUESTION BANK WITH BLOOMS TAXONOMY LEVEL
(BTL)

(1. Remembering 2. Understanding 3. Applying 4. Analyzing 5. Evaluating 6. Creating)

| UNIT -1 | | | |
|----------|--|----------|----------------|
| | 1 MARK Questions | BT LEVEL | COURSE OUTCOME |
| 1. | Define Managerial economics and nature? | 1 | CO1 |
| 2. | Explain how operation research, mathematics is related to economics? | 1 | CO1 |
| 3. | Nature of the product how it is related to elasticity of demand? Explain. | 1 | CO1 |
| 4. | How barometric techniques help in estimating the demand for a product? | 1 | CO3 |
| 5. | Explain about substitutes and complementaries along with the examples? | 1 | CO1 |
| 6. | Explain about Normative statement and prescriptive actions? | 1 | CO1 |
| 7. | Define price elasticity of demand? Explain its significance? | 1 | CO1 |
| 8. | Explain about exponential smoothing method? | 1 | CO1 |
| 9. | Explain how many methods available for calculate demand for a product? | 2 | CO1 |
| 10. | Explain law of demand and its exceptions? | 2 | CO1 |
| 10 MARKS | | | |
| 1. | Define Managerial Economics? Explain how managerial economics is linked with other academic disciplines? | 5 | CO1 |
| 2. | Define Managerial Economics? Explain its nature, scope& limitations? | 5 | CO1 |
| 3. | Is it necessary to accurately estimate the future demand for a product? | 2 | CO1 |
| 4. | What do you understand by elasticity of demand? Explain the factors governing it? | 2 | CO1 |
| 5. | Explain the concept of cross elasticity of demand. Illustrate your answer with suitable examples. How it is different from price elasticity of demand? | 5 | CO1 |
| 6. | Define demand explain the factors determining demand? How does the analysis of demand contribute to business in decision making? | 3 | CO1 |
| 7. | Define Elasticity of demand? Explain different types of elasticity of demand and its measurement. | 1 | CO1 |
| 8. | Define Demand estimation and explain marketing research approaches to demand Estimation? | 3 | CO1 |
| 9. | Managerial economics is multidisciplinary in nature'. Explain. | 3 | CO1 |
| 10. | Define demand explain nature of the demand? Define Law of demand and explain various exceptions to law of demand? | 3 | CO1 |



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| Unit -II | | | |
|-------------------------|---|---|-----|
| 1 MARK QUESTIONS | | | |
| | | 2 | CO2 |
| 1 | Define production and production function? | 1 | CO2 |
| 2 | Isoquants and their features? | 2 | CO2 |
| 3 | Diseconomies of scale? | 1 | CO2 |
| 4 | Explain about returns to factors? | 2 | CO5 |
| 5 | Least combinations of input factors? | 2 | CO5 |
| 6 | Explain about types of isoquants ? | 1 | CO2 |
| 7 | Define cost and cost function? | 1 | CO2 |
| 8 | Explain the limitations of break even analysis? | 1 | CO2 |

| 10 MARKS QUESTIONS | | | |
|---------------------------|--|---|-----|
| 1 | 1. Define production and explain the nature of production function? | 2 | CO2 |
| 2. | (a)Explain Cobb-Douglas production function? (b)Explain about least combination of input factors. | 2 | CO2 |
| 3. | What are the two types of production functions classified depending upon time element? | 2 | CO2 |
| 4. | (a)Explain the Law of returns with appropriate examples? (b)Explain the determinants of cost with briefly | 2 | CO2 |
| 5. | Explain production function with two variables inputs? | 2 | CO2 |
| 6. | (a)Define Isoquant? What are the different classifications of Isoquants? (b).Define cost? Explain about cost concepts in detail. | 2 | CO2 |
| 7. | (a)Define Isocost and state how isocost are differently addressed? (b)Explain Law of returns to factor in the relation to output and input? | 2 | CO2 |
| 8 | What are scale economies and explain the internal and external economies of scale? | 3 | CO2 |
| 9. | Define break even analysis and explain its managerial significance and limitations? | 3 | CO2 |



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Unit -III

1 MARK QUESTIONS

| | | | |
|----|--|---|-----|
| 1. | Define market and market structure? | 1 | CO3 |
| 2. | How many methods are there to fix the price for the product? | 1 | CO3 |
| 3 | Define business? Explain any five characteristics of business? | 1 | CO3 |
| 4 | What are the objectives of pricing? | 2 | CO3 |
| 5 | Explain about different types of companies? | 2 | CO3 |
| 6 | Explain about different forms of business organization? | 1 | CO3 |
| 7 | Discuss about contents Memorandum of association? | 6 | CO2 |
| 8 | Explain the features of perfect market? Meaning of price discrimination? | 2 | CO3 |
| 9 | Define prospectuses? Explain about contents of prospectus? | 2 | CO3 |
| 10 | Discuss about need of public enterprises? Define sole trader explain any three features? | 2 | CO3 |

10 MARKS QUESTIONS

| | | | |
|-----|---|---|-----|
| 1. | Define Business? Explain the features, merits, demerits of partnership and joint stock companies? | 2 | CO3 |
| 2 | Define market and explain the different types of market? | 2 | CO3 |
| 3. | Explain the determination of market price in perfect competition and what are the essential conditions of perfect competition? | 3 | CO3 |
| 4 | Is Government of India justified in concept withdrawing its investments in public enterprises? Justify your answer? | 2 | CO3 |
| 5. | Define pricing and explain different types of pricing? | 2 | CO3 |
| 6 | 'Small is beautiful'. Do you think this is the reason for the survival of the sole. trader form of business organization? Support your answer with suitable example. | 3 | CO3 |
| 7. | Explain the need for public enterprise in India. Do you think public enterprise as a whole have fulfilled that need? | 2 | CO3 |
| 8. | ain the different types of pricing strategies? Explain the price output determination in monopoly? | 2 | CO3 |
| 9. | a) Explain the procedure how to start a joint stock company? b) what are advantages & disadvantages of government companies? | 2 | CO3 |
| 10. | a)What are scale economies and explain the internal and external economies of scale? b)Define break even analysis and explain its managerial significance and limitations? | 2 | CO3 |



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| Unit-IV | | | | | | | | | | | | | | | | | | | | | |
|--------------------|---|-----------|-----------|-----------|---|--------|-------|---|--------|--------|---|--------|--------|---|--------|--------|---|--------|--------|---|-----|
| 1 MARK QUESTIONS | | | | | | | | | | | | | | | | | | | | | |
| 1. | .Define capital?explain about need of capital? | 2 | CO4 | | | | | | | | | | | | | | | | | | |
| 2. | Explain about fixed capital and its features? | 1 | CO4 | | | | | | | | | | | | | | | | | | |
| 3. | Meaning of debentures and its types? | 1 | CO4 | | | | | | | | | | | | | | | | | | |
| 4. | Define share and explain its types? | 1 | CO4 | | | | | | | | | | | | | | | | | | |
| 5. | Define working capital and explain its components? | 2 | CO4 | | | | | | | | | | | | | | | | | | |
| 6. | Explain about debt factoring and credit factoring? | 2 | CO4 | | | | | | | | | | | | | | | | | | |
| 7. | What is the meaning of retained profits? | 2 | CO3 | | | | | | | | | | | | | | | | | | |
| 8. | Explain any five factors determining requirements of working capital? | 1 | CO3 | | | | | | | | | | | | | | | | | | |
| 9. | Explain about different sources of finance? | 2 | CO4 | | | | | | | | | | | | | | | | | | |
| 10. | Explain about hire purchase v_s leasing? | 1 | CO4 | | | | | | | | | | | | | | | | | | |
| 10 MARKS QUESTIONS | | | | | | | | | | | | | | | | | | | | | |
| 1. | Define capital budgeting and explain its features and Merits and demerits? | 2 | CO4 | | | | | | | | | | | | | | | | | | |
| 2. | Explain in how many ways capital budgeting is calculated? | 2 | CO4 | | | | | | | | | | | | | | | | | | |
| 3. | Explain the nature and importance of capital budgeting? | 2 | CO4 | | | | | | | | | | | | | | | | | | |
| 4. | Review the appropriateness of the following criteria of appraising investment. (a) pay-back period (b) net present value (c) pro_fitability index | 2 | CO4 | | | | | | | | | | | | | | | | | | |
| 5. | Capital Budgeting is the process of evaluating the relative worth of long-term investment proposals based on their profitability? Explain this statement. | 2 | CO3 | | | | | | | | | | | | | | | | | | |
| 6. | Consider the following particulars and calculate NPV & ARR. Year project x (in.lakhs) project y(in lakhs) 1 3 6 2 5 4 3 6 3 Capital :900000,cost of capital:12% | 1 | CO4 | | | | | | | | | | | | | | | | | | |
| 7. | Define capital? Explain need and sources of finance? | 2 | CO4 | | | | | | | | | | | | | | | | | | |
| 8. | ABC Co. ltd is proposing to mechanize their operation .two proposal A and B in thre form of quotations have been received from two different vendors.The proposal in each case cost Rs.5,00,000.Adiscount factor of 12% is used to compare the proposal .cash inflows are as follows. Cash flows after taxes <table><tr><td>Year</td><td>ProposalA</td><td>ProposalB</td></tr><tr><td>1</td><td>150000</td><td>50000</td></tr><tr><td>2</td><td>200000</td><td>150000</td></tr><tr><td>3</td><td>250000</td><td>200000</td></tr><tr><td>4</td><td>150000</td><td>300000</td></tr><tr><td>5</td><td>100000</td><td>200000</td></tr></table> Calculate Traditional & Modern Methods. | Year | ProposalA | ProposalB | 1 | 150000 | 50000 | 2 | 200000 | 150000 | 3 | 250000 | 200000 | 4 | 150000 | 300000 | 5 | 100000 | 200000 | 2 | CO4 |
| Year | ProposalA | ProposalB | | | | | | | | | | | | | | | | | | | |
| 1 | 150000 | 50000 | | | | | | | | | | | | | | | | | | | |
| 2 | 200000 | 150000 | | | | | | | | | | | | | | | | | | | |
| 3 | 250000 | 200000 | | | | | | | | | | | | | | | | | | | |
| 4 | 150000 | 300000 | | | | | | | | | | | | | | | | | | | |
| 5 | 100000 | 200000 | | | | | | | | | | | | | | | | | | | |

| | | | | | |
|---|--|-----------|------------|---|-----|
| 9 | ABC company is considering the purchase of a machinery from the following. | | | 2 | CO3 |
| | Particulars | Machine-I | Machine-II | | |
| | Life | 3years | 3years | | |
| | Initial investment | 10000 | 10000 | | |
| | Net earnings after tax | Rs. | Rs | | |
| | 1 st year | 8000 | 2000 | | |
| | 2 nd year | 6000 | 7000 | | |
| | 3 rd year | 4000 | 10000 | | |
| | You are required to suggest which machine should be preferred by using the following methods. The cost capital is 10%. (a)pay back method (b)discounted cash flow method. | | | | |

| Unit-V | | | |
|--------------------|---|---|-----|
| 1 MARK QUESTIONS | | | |
| 1. | Define accounting and explain its significance | 1 | CO3 |
| 2. | Explain about different types of accounts and their rules? | 1 | CO3 |
| 3. | Definition of ratio analysis? | 1 | CO3 |
| 4. | A firm sold goods worth Rs.1,00,000 and its gross profit is 20% of sale value. The inventory at the beginning of the year was Rs.32000 and at the end of the year was 14,000. Compute inventory turnover ratio. | 2 | CO4 |
| 5. | Explain any five terminology of accounts? | 2 | CO6 |
| 6. | A firm's sales during the year was Rs.400,000 of which 60% were on credit basis. The balance of debtors at the beginning and the end of the year were 25000 and 15000 respectively. Calculate debtors turnover ratio of the firm? | 2 | CO6 |
| 7. | How many types of ratios are available? | 1 | CO6 |
| 8. | What is the meaning of provision of bad debts and how it is treated in final accounts? | 1 | CO6 |
| 9. | What is the meaning of drawings and how it is treated in balance sheet? | 1 | CO4 |
| 10. | Given that the number of shares is 10,000 and the net profit after taxes for a given accounting period is Rs.4,50,000. Calculate EPS. | 2 | CO6 |
| 10 MARKS QUESTIONS | | | |
| 1. | Explain different phases that are involved in the accounting mechanism? | 2 | CO4 |

| 2. | From the following Trial balance extracted from the books of MERCHANT for the period of 31 st march 2005. Prepare the final accounts? Adjustments <table><tr><th>PARTICULARS</th><th>DEBIT BALANCE</th><th>CREDIT BALANCE</th></tr><tr><td>Furniture</td><td>640</td><td>-</td></tr><tr><td>Building</td><td>6250</td><td>-</td></tr><tr><td>Plant and machinery</td><td>7500</td><td>-</td></tr><tr><td>Stock</td><td>3400</td><td>-</td></tr><tr><td>Purchases</td><td>6000</td><td>-</td></tr><tr><td>Advertising</td><td>1000</td><td>-</td></tr><tr><td>Cash</td><td>1200</td><td>-</td></tr><tr><td>Salaries</td><td>3000</td><td>-</td></tr><tr><td>Insurance</td><td>800</td><td>-</td></tr><tr><td>Debtors</td><td>2000</td><td></td></tr><tr><td>Capital</td><td>—</td><td>12500</td></tr><tr><td>Sales</td><td>-</td><td>15000</td></tr><tr><td>Creditors</td><td>-</td><td>4290</td></tr><tr><td>TOTAL</td><td>31790</td><td>31790</td></tr></table> <div><div>i.</div><div>closing stock Rs. 2000</div><div>ii.</div><div>depreciation on building @5%</div><div>iii.</div><div>salaries outstanding Rs.300</div><div>iv.</div><div>Insurance prepaid Rs. 100.</div><div>v.</div><div>Interest on capital @5%</div><div>vi.</div><div>Bad debts Rs.100.</div></div> | PARTICULARS | DEBIT BALANCE | CREDIT BALANCE | Furniture | 640 | - | Building | 6250 | - | Plant and machinery | 7500 | - | Stock | 3400 | - | Purchases | 6000 | - | Advertising | 1000 | - | Cash | 1200 | - | Salaries | 3000 | - | Insurance | 800 | - | Debtors | 2000 | | Capital | — | 12500 | Sales | - | 15000 | Creditors | - | 4290 | TOTAL | 31790 | 31790 | 2 | CO6 | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------|--|---------------------|------------------|-------------------|------------------|---------------------|----------|----------|----------|-----------|---------------------|-----------------|--------|---------|--------|-------------------|-----------|-----------|----------|---------------------|--------|-----------------|-------|------------------|--------|----------|-------|-----------------|-----------|-------|--------|---------|----------|-----------|---------|---------------|--------|----------------|--------|-------|-----------|-----------|-------|--------------|--------------|------------------|-------|-----|---|-------------------|-------|---|---|-----------|--------|---|---|-----------------|--------|---|---|------------|-------|---|---|--------------|-----------------|----------|-----------------|---|-----|
| PARTICULARS | DEBIT BALANCE | CREDIT BALANCE | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Furniture | 640 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building | 6250 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Plant and machinery | 7500 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Stock | 3400 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Purchases | 6000 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Advertising | 1000 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cash | 1200 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Salaries | 3000 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Insurance | 800 | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debtors | 2000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital | — | 12500 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sales | - | 15000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Creditors | - | 4290 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 31790 | 31790 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 3. | From the trail balance of Mr. S, Prepare Final Accounts for the period 31 st march 2007? <table><tr><th>PARTICULARS</th><th>DEBIT AMOUNT</th><th>PARTICULARS</th><th>CREDIT AMOUNT</th></tr><tr><td>Plant and machinery</td><td>1,00,000</td><td>Sales</td><td>3,50,000</td></tr><tr><td>Good will</td><td>50,000</td><td>Returns outward</td><td>12,000</td></tr><tr><td>Patents</td><td>25,000</td><td>Discount received</td><td>8,000</td></tr><tr><td>Purchases</td><td>2,50,000</td><td>Commission received</td><td>12,000</td></tr><tr><td>Return in wards</td><td>5,000</td><td>Sundry creditors</td><td>20,000</td></tr><tr><td>Discount</td><td>4,000</td><td>Bank over draft</td><td>30,000</td></tr><tr><td>Wages</td><td>15,000</td><td>Capital</td><td>1,00,000</td></tr><tr><td>Insurance</td><td>8,000</td><td>Bills payable</td><td>20,000</td></tr><tr><td>Sundry debtors</td><td>25,000</td><td>-</td><td>-</td></tr><tr><td>Bad debts</td><td>3,000</td><td>--</td><td>-</td></tr><tr><td>Carriage inwards</td><td>3,000</td><td>-</td><td>-</td></tr><tr><td>Carriage outwards</td><td>2,000</td><td>-</td><td>-</td></tr><tr><td>Furniture</td><td>30,000</td><td>-</td><td>-</td></tr><tr><td>Office salaries</td><td>26,000</td><td>-</td><td>-</td></tr><tr><td>Audit fees</td><td>6,000</td><td>-</td><td>-</td></tr><tr><td>TOTAL</td><td>5,52,000</td><td>-</td><td>5,52,000</td></tr></table> Adjustment: <div><div>1)</div><div>Closing stock Rs90, 000</div><div>2)</div><div>Depreciation on plant & machinery@10% & furniture@15%</div><div>3)</div><div>Make a provision for doubtful debts @5% on sundry debtors</div></div> | PARTICULARS | DEBIT AMOUNT | PARTICULARS | CREDIT AMOUNT | Plant and machinery | 1,00,000 | Sales | 3,50,000 | Good will | 50,000 | Returns outward | 12,000 | Patents | 25,000 | Discount received | 8,000 | Purchases | 2,50,000 | Commission received | 12,000 | Return in wards | 5,000 | Sundry creditors | 20,000 | Discount | 4,000 | Bank over draft | 30,000 | Wages | 15,000 | Capital | 1,00,000 | Insurance | 8,000 | Bills payable | 20,000 | Sundry debtors | 25,000 | - | - | Bad debts | 3,000 | -- | - | Carriage inwards | 3,000 | - | - | Carriage outwards | 2,000 | - | - | Furniture | 30,000 | - | - | Office salaries | 26,000 | - | - | Audit fees | 6,000 | - | - | TOTAL | 5,52,000 | - | 5,52,000 | 1 | CO6 |
| PARTICULARS | DEBIT AMOUNT | PARTICULARS | CREDIT AMOUNT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Plant and machinery | 1,00,000 | Sales | 3,50,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Good will | 50,000 | Returns outward | 12,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Patents | 25,000 | Discount received | 8,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Purchases | 2,50,000 | Commission received | 12,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Return in wards | 5,000 | Sundry creditors | 20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Discount | 4,000 | Bank over draft | 30,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wages | 15,000 | Capital | 1,00,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Insurance | 8,000 | Bills payable | 20,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sundry debtors | 25,000 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bad debts | 3,000 | -- | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Carriage inwards | 3,000 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Carriage outwards | 2,000 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Furniture | 30,000 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Office salaries | 26,000 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Audit fees | 6,000 | - | - | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 5,52,000 | - | 5,52,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 4. | (a)Distinguish between Trail Balance and Balance Sheet? (b) Distinguish between Profit and Loss account and balance sheet? (c)What is accounting? What are its objectives, functions, Advantages and limitations?((UNDERSTANDING) (d) Explain accounting concepts and conventions? | 2 | CO6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 5. | What is Ratio Analysis? Explain its Classifications. | 2 | CO6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| 6. | <p>The following is the balance sheet of A limited as on 31.12.90.</p> <table><tr><th>ABILITIES</th><th>IOUNT</th><th>SETS</th><th>IOUNT</th></tr><tr><td>are capital(2000 ares of Rs 10 each, 5 p ai d u p)</td><td>0000</td><td>nd and Building</td><td>5000</td></tr><tr><td>erves and Surplus</td><td>000</td><td>nt and Furniture</td><td>000</td></tr><tr><td>Debentures</td><td>0000</td><td>ck</td><td>000</td></tr><tr><td>editors</td><td>000</td><td>ctors</td><td>000</td></tr><tr><td>ls Payable</td><td>00</td><td>ls Receivable</td><td>00</td></tr><tr><td></td><td></td><td>sh at Bank</td><td>000</td></tr><tr><td></td><td></td><td>liminary Expenses</td><td>00</td></tr><tr><td></td><td>0000</td><td></td><td>0000</td></tr></table> <p>Sales for the year Rs 600000. Calculate the following ratios.</p> <p>a. Debt / Equity Ratio.</p> <p>b. Proprietary Ratio.</p> <p>c. Current Ratio.</p> <p>d. Acid test ratio.</p> <p>e. Stock turnover ratio.</p> <p>Avg Collection period</p> | ABILITIES | IOUNT | SETS | IOUNT | are capital(2000 ares of Rs 10 each, 5 p ai d u p) | 0000 | nd and Building | 5000 | erves and Surplus | 000 | nt and Furniture | 000 | Debentures | 0000 | ck | 000 | editors | 000 | ctors | 000 | ls Payable | 00 | ls Receivable | 00 | | | sh at Bank | 000 | | | liminary Expenses | 00 | | 0000 | | 0000 | 2 | CO6 | | | | | | | | | | | | |
|---|--|---------------------|---------------|--------|--------|---|--------|-----------------|-------|--------------------------|--------|------------------|-------|----------------|------|-----------------|--------------|---------------|------|---------------|------|--------------|---------------|---------------|------|---------|------|---------------|------------|--------------|------|-------------------|------|------------|------------|------------|------|---------------------|------|---------------------|-----------|------|-------|--|-------|-------|-----|-------|-------|---|-----|
| ABILITIES | IOUNT | SETS | IOUNT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| are capital(2000 ares of Rs 10 each, 5 p ai d u p) | 0000 | nd and Building | 5000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| erves and Surplus | 000 | nt and Furniture | 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Debentures | 0000 | ck | 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| editors | 000 | ctors | 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ls Payable | 00 | ls Receivable | 00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | sh at Bank | 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | liminary Expenses | 00 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 0000 | | 0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 7. | <p>From the following Balance sheet Calculate</p> <p>a. Current Ratio.</p> <p>b. Quick Ratio.</p> <p>c. Absolute Quick Ratio.</p> <p>d. Debt / Equity Ratio.</p> <p>e. Proprietary Ratio.</p> <p>f. Solvency Ratio.</p> <p>g. Fixed assets ratio.</p> <p>h. Capital gearing ratio.</p> <p>i. Fixed assets to network.</p> <table><tr><th>ABILITIES</th><th>IOUNT</th><th>SETS</th><th>IOUNT</th></tr><tr><td>uity share capital</td><td>00,000</td><td>od Will</td><td>0,000</td></tr><tr><td>Preference Share capital</td><td>0,000</td><td>nt and machinery</td><td>0,000</td></tr><tr><td>eneral Reserve</td><td>0000</td><td>nd and building</td><td>0000</td></tr><tr><td>ofit and Loss</td><td>0000</td><td>niture</td><td>0000</td></tr><tr><td>% debentures</td><td>0000</td><td>ck</td><td>0000</td></tr><tr><td>editors</td><td>000</td><td>ls Receivable</td><td>000</td></tr><tr><td>nk Overdraft</td><td>000</td><td>ctors</td><td>0000</td></tr><tr><td>ls payable</td><td>0000</td><td>nk balance</td><td>0000</td></tr><tr><td>vision for taxation</td><td>5000</td><td>rketable Securities</td><td>000</td></tr><tr><td></td><td>00000</td><td></td><td>00000</td></tr></table> | ABILITIES | IOUNT | SETS | IOUNT | uity share capital | 00,000 | od Will | 0,000 | Preference Share capital | 0,000 | nt and machinery | 0,000 | eneral Reserve | 0000 | nd and building | 0000 | ofit and Loss | 0000 | niture | 0000 | % debentures | 0000 | ck | 0000 | editors | 000 | ls Receivable | 000 | nk Overdraft | 000 | ctors | 0000 | ls payable | 0000 | nk balance | 0000 | vision for taxation | 5000 | rketable Securities | 000 | | 00000 | | 00000 | 2 | CO6 | | | | |
| ABILITIES | IOUNT | SETS | IOUNT | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| uity share capital | 00,000 | od Will | 0,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Preference Share capital | 0,000 | nt and machinery | 0,000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| eneral Reserve | 0000 | nd and building | 0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ofit and Loss | 0000 | niture | 0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| % debentures | 0000 | ck | 0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| editors | 000 | ls Receivable | 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| nk Overdraft | 000 | ctors | 0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ls payable | 0000 | nk balance | 0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| vision for taxation | 5000 | rketable Securities | 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 00000 | | 00000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 8 | What are the limitations ratio?Does ratio analysis really measure the financial performance of a company? | 2 | CO4 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 9 | <p>From the following particulars given in the comparative balance sheet of Bhaskara Chemicals Ltd. You are required to calculate.</p> <p>a. Current Ratio.</p> <p>b. Quick Ratio.</p> <p>c. Ratio of Inventory to working capital and give your comments.</p> <table><tr><th>ibilities</th><th>06(Rs)</th><th>07(Rs)</th><th>sets</th><th>06(Rs)</th><th>07(Rs)</th></tr><tr><td>ndry Creditors</td><td>0000</td><td>0000</td><td>entory</td><td>0000</td><td>0000</td></tr><tr><td>ls Payable</td><td>0000</td><td>0000</td><td>ndry Debtors</td><td>0000</td><td>0000</td></tr><tr><td>nk Over draft</td><td>-</td><td>0000</td><td>vance payment</td><td>000</td><td>--</td></tr><tr><td>pital</td><td>0000</td><td>0000</td><td>sh at bank</td><td>0000</td><td>0000</td></tr><tr><td></td><td></td><td></td><td>sh in hand</td><td>0000</td><td>000</td></tr><tr><td></td><td></td><td></td><td>ed assets</td><td>0000</td><td>000</td></tr><tr><td></td><td>00000</td><td>50000</td><td></td><td>00000</td><td>50000</td></tr></table> | ibilities | 06(Rs) | 07(Rs) | sets | 06(Rs) | 07(Rs) | ndry Creditors | 0000 | 0000 | entory | 0000 | 0000 | ls Payable | 0000 | 0000 | ndry Debtors | 0000 | 0000 | nk Over draft | - | 0000 | vance payment | 000 | -- | pital | 0000 | 0000 | sh at bank | 0000 | 0000 | | | | sh in hand | 0000 | 000 | | | | ed assets | 0000 | 000 | | 00000 | 50000 | | 00000 | 50000 | 2 | CO6 |
| ibilities | 06(Rs) | 07(Rs) | sets | 06(Rs) | 07(Rs) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ndry Creditors | 0000 | 0000 | entory | 0000 | 0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ls Payable | 0000 | 0000 | ndry Debtors | 0000 | 0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| nk Over draft | - | 0000 | vance payment | 000 | -- | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| pital | 0000 | 0000 | sh at bank | 0000 | 0000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | sh in hand | 0000 | 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | | | ed assets | 0000 | 000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 00000 | 50000 | | 00000 | 50000 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 10 | From the following data pass necessary Journal entries? | 2 | CO6 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

| | | | |
|--|--|--|--|
| | <p>Jan 1st 2005 business commenced with cash Rs. 10,000</p> <p>Jan 3rd goods purchased from X Rs.5,000</p> <p>Jan 4th goods sold to Mahesh Rs. 2,500</p> <p>Jan 5th cash received from Raghu Rs. 3,000</p> <p>Jan 6th cash paid to Shiva Rs. 4,000</p> <p>Jan 7th cash sales Rs. 2,000</p> <p>Jan 8th goods purchased from X Rs. 1,500 for cash</p> <p>Jan 9th cash withdrawn from bank for personal use Rs. 1,000</p> <p>Jan 10th rent paid Rs. 2,000</p> <p>Jan 11th salaries paid Rs. 3,000</p> | | |
|--|--|--|--|