

Roll No.

Question Booklet Number

O. M. R. Serial No.

--	--	--	--	--	--	--	--

391222

B. C. A. (Second Semester) EXAMINATION, 2022-23

FINANCIAL ACCOUNTING AND MANAGEMENT

Paper Code

B	C	A	2	0	0	4
---	---	---	---	---	---	---

Questions Booklet
Series

B

Time : 1:30 Hours]

[Maximum Marks : 75

Instructions to the Examinee :

परीक्षार्थियों के लिए निर्देश :

1. Do not open the booklet unless you are asked to do so.
 2. The booklet contains 100 questions. Examinee is required to answer 75 questions in the OMR Answer-Sheet provided and not in the question booklet. All questions carry equal marks.
 3. Examine the Booklet and the OMR Answer-Sheet very carefully before you proceed. Faulty question booklet due to missing or duplicate pages/questions or having any other discrepancy should be got immediately replaced.
1. प्रश्न-पुस्तिका को तब तक न खोलें जब तक आपसे कहा न जाए।
 2. प्रश्न-पुस्तिका में 100 प्रश्न हैं। परीक्षार्थी को 75 प्रश्नों को केवल दी गई OMR आन्सर-शीट पर ही हल करना है, प्रश्न-पुस्तिका पर नहीं। सभी प्रश्नों के अंक समान हैं।
 3. प्रश्नों के उत्तर अंकित करने से पूर्व प्रश्न-पुस्तिका तथा OMR आन्सर-शीट को सावधानीपूर्वक देख लें। दोषपूर्ण प्रश्न-पुस्तिका जिसमें कुछ भाग छपने से छूट गए हों या प्रश्न एक से अधिक बार छप गए हों या उसमें किसी अन्य प्रकार की कमी हो, तो उसे तुरन्त बदल लें।

(Remaining instructions on the last page)

(शेष निर्देश अन्तिम पृष्ठ पर)

(Only for Rough Work)

1. Rules of debit and credit under personal account is :
 - (A) debit what comes in credit, what goes out
 - (B) debit the receiver credit the giver
 - (C) debit all expenses and losses, credit all income and gains
 - (D) None of the above
2. The entry passed to record the closing balance of the previous year is called the :
 - (A) closing entry
 - (B) opening entry
 - (C) Both (A) and (B)
 - (D) None of the above
3. Due to continuous use of fixed assets, value of these assets decreases every year. This diminution in value is called :
 - (A) interest on drawings
 - (B) interest on capital
 - (C) depreciation
 - (D) None of the above
4. A is one that does not come up very frequently and does not cost very much.
 - (A) outstanding expenses
 - (B) sundry expenses
 - (C) prepaid expenses
 - (D) None of the above
5. "Do not anticipate a profit but provide for all possible losses." State the accounting convention.
 - (A) Conservatism convention
 - (B) Consistency convention
 - (C) Materiality convention
 - (D) None of the above
6. A business has assets of ₹ 5,30,000 and owner's equity is ₹ 2,75,000. What is amount of liability ?
 - (A) ₹ 3,55,000
 - (B) ₹ 2,55,000
 - (C) ₹ 1,55,000
 - (D) ₹ 5,55,000
7. If the liability of a business are ₹ 6,50,000 and capital is ₹ 9,50,000, find out the total assets :
 - (A) ₹ 16,00,000
 - (B) ₹ 3,00,000
 - (C) ₹ 9,50,000
 - (D) ₹ 6,50,000

8. Which account will you debit for income tax paid by an owner of organization ?
- (A) Sales Tax Account
 - (B) Drawings Account
 - (C) Both (A) and (B)
 - (D) None of the above
9. The process of transferring the transactions recorded in the books of original entry to the book of final entry is called :
- (A) first book of entry
 - (B) journalizing
 - (C) posting
 - (D) None of the above
10. What are the features of a Trial Balance ?
- (A) It is a list of balances of all ledger accounts and cash book.
 - (B) It can be prepared on any date.
 - (C) Both (A) and (B)
 - (D) None of the above
11. When only the debit or credit balances of various accounts are entered into the two columns, then this method is called :
- (A) Balance method
 - (B) Total method
 - (C) Mediation method
 - (D) None of the above
12. State the account which are not considered while preparing the Trial Balance by balance method :
- (A) accounts show no balance
 - (B) accounts show high balance
 - (C) accounts show less balance
 - (D) None of the above
13. Give examples of provisions :
- (A) provision for depreciation
 - (B) provision for doubtful debts
 - (C) Both (A) and (B)
 - (D) None of the above
14. Debts which cannot be realised are treated as :
- (A) bad debts
 - (B) sundry debtors
 - (C) doubtful debts
 - (D) discount on debtors

15. Ledger is a book in which :

- (A) real and nominal accounts are maintained.
- (B) real and personal accounts are maintained.
- (C) real, personal and nominal accounts are maintained.
- (D) None of the above

16. Which accounts should be placed in the debit columns of the Trial Balance ?

- (A) Assets
- (B) Debtors
- (C) Expenses and losses
- (D) All of the above

17. A 4-month bill drawn on 1st January, 2023 will mature for payment on :

- (A) 3rd May, 2023
- (B) 4th May, 2023
- (C) 5th May, 2023
- (D) None of the above

18. ₹ 5,500 spent on overhaul of machine purchased second hand is an example of :

- (A) capital expenditure
- (B) revenue expenditure
- (C) deferred revenue expenditure
- (D) None of the above

19. While-washing expenses is an example of :

- (A) revenue expenditure
- (B) capital expenditure
- (C) deferred revenue expenditure
- (D) None of the above

20. Advertising campaign to launch a new product is an example of :

- (A) capital expenditure
- (B) revenue expenditure
- (C) deferred revenue expenditure
- (D) None of the above

21. Discount given on the listed price of goods is called :

- (A) cash discount
- (B) sales discount
- (C) trade discount
- (D) None of the above

22. Purchase return is also termed as :

- (A) return inward
- (B) returned outward
- (C) Both (A) and (B)
- (D) None of the above

23. Receipts in the business of recurring nature is called :
- (A) cash receipt
 - (B) revenue receipt
 - (C) capital receipt
 - (D) None of the above
24. The Bill Receivable Book is part of :
- (A) the journal
 - (B) the ledger
 - (C) the profit
 - (D) the loss
25. Goodwill is :
- (A) a current asset
 - (B) an intangible asset
 - (C) a tangible asset
 - (D) None of the above
26. Closing stock is valued at :
- (A) cost
 - (B) market value
 - (C) cost or market price whichever is lower
 - (D) None of the above
27. Arrangement of assets and liabilities either in the order of liquidity or in permanence is known as :
- (A) grouping of assets and liabilities
 - (B) marshalling of assets and liabilities
 - (C) contingency of assets and liabilities
 - (D) None of the above
28. Depreciation is provided on :
- (A) current assets
 - (B) intangible assets
 - (C) fixed assets
 - (D) None of the above
29. Outstanding Income is :
- (A) an asset
 - (B) a liability
 - (C) an expense
 - (D) None of the above
30. Prepaid rent is shown as :
- (A) an asset
 - (B) capital
 - (C) income
 - (D) liability
31. It is essential to standardize the accounting principles and policies in order to ensure :
- (A) profitability
 - (B) transparency
 - (C) reputation
 - (D) All of the above
32. The term 'investment' is concerned with :
- (A) capital budgeting and current asset management
 - (B) determining the best financing mix
 - (C) solution to decision of dividend policy
 - (D) All of the above

33. Which of the following is considered as traditional objective of financial management ?
- Profit maximization
 - Wealth maximization
 - Capital maximization
 - None of the above
34. Financial management is concerned with :
- estimation of the fixed and working capital requirement
 - formulation of capital structure
 - procurement of fixed and working capital management
 - All of the above
35. Maximisation of shareholders wealth is reflected in :
- profit maximisation
 - sales maximisation
 - number of shareholders
 - None of the above
36. Finance functions are :
- allocation of resources
 - raising of funds
 - control of funds
 - All of the above
37. Profit maximisation includes :
- source of incentive
 - maximisation of social benefit
 - measurement of success of business decisions
 - All of the above
38. The objective of wealth maximisation takes into consideration :
- risk related to uncertainty of return
 - amount of return expected
 - timing of expected returns
 - All of the above
39. The capital of a company is usually divided into certain indivisible units of definite sum. These units are called :
- shares
 - debentures
 - Both (A) and (B)
 - None of the above
40. Shares are also called :
- creditorship securities
 - ownership securities
 - Both (A) and (B)
 - None of the above
41. Preference shares are those shares whose holders have :
- certain common right
 - certain preferential right
 - return on capital
 - None of the above
42. Which is the type of preference shares ?
- Cumulative
 - Non-cumulative
 - Convertible
 - All of the above

43. The equity shareholders are owners of :
 (A) cost of assets
 (B) cost of liability
 (C) residual income of the company
 (D) limited liability
44. The control and management of the company is in the hands of :
 (A) debentureholders
 (B) bondholders
 (C) equity shareholders
 (D) None of the above
45. Every debentureholder is a/an :
 (A) owner of the company
 (B) creditor of the company
 (C) supplier of the company
 (D) customer of the company
46. If there is over-capitalization in the company, the redemption of debenture can lead to :
 (A) balanced capital structure
 (B) cost of capital
 (C) equity
 (D) None of the above
47. When a company retains a part of undistributed profit in the form of free resources and the same is utilised for further expansion, it is known as :
 (A) ploughing-back of profit
 (B) preference share
 (C) dividend
 (D) None of the above
48. is a state when the capital of the company is less in proportion to its total requirement.
 (A) Over-capitalization
 (B) Under-capitalization
 (C) Watered capitalization
 (D) None of the above
49. The ratio between the various kinds of securities to the total capitalisation is called :
 (A) capital gearing
 (B) equity gearing
 (C) dividend gearing
 (D) None of the above
50. When a company uses bonds, other debt and preferred stock to increase its earnings on its common stock it is said :
 (A) financial leverage
 (B) trading on market basis
 (C) Both (A) and (B)
 (D) None of the above
51. is the rate of return the firm requires from investment in order to increase the value of the firm in the market place.
 (A) Cost of capital
 (B) Capitalization
 (C) Finance
 (D) None of the above

52. Which planning decision is the standpoint for determination of firm's cost of capital ?

- (A) Capital budgeting decisions
- (B) Capital structure decisions
- (C) Both (A) and (B)
- (D) None of the above

53. is the internal rate of return the firm pays for financing.

- (A) Explicit cost
- (B) Future cost
- (C) Historic cost
- (D) None of the above

54. Formula of cost of debt issued at discount or premium :

- (A) $K_d = \frac{C}{P}(1 - T)$
- (B) $K_d = \frac{P}{C}(2 - T)$
- (C) $K_d = \frac{P + 1}{C}(2 - T)$

(D) None of the above

55. It is a certificate issued by a company under its seal acknowledge a debt :

- (A) Shares
- (B) Financial certificate
- (C) Debenture
- (D) Debt certificate

56. Assets that can be converted into cash in short period of time is called :

- (A) current assets
- (B) tangible assets
- (C) fixed assets
- (D) intangible assets

57. Using gross working capital the firm can realize :

- (A) greatest return on its investment
- (B) more profit than expected
- (C) reduction in annual loss

- (D) All of the above
58. Which concept is more useful for determining the ability of the concern to meet the future needs ?
- (A) Gross working capital
(B) Net working capital
(C) Routine working capital
(D) None of the above
59. When current assets exceeds the current liability, then it is called :
- (A) positive working capital
(B) negative working capital
(C) net working capital
(D) increased working capital
60. The working capital is necessary for :
- (A) smooth running of business
(B) reducing waste of capital
(C) enhancing profit rates
(D) All of the above
61. Which of the following is a long-term source of working capital ?
- (A) Issue of shares
(B) Loans
(C) Issue of debenture
(D) Depreciation
62. The preference shares can be redeemed, when :
- (A) they are fully paid.
(B) they are unpaid.
(C) they are partly paid.
(D) None of the above
63. Current ratio can be computed by :
- (A) Assets / Stock
(B) Stock / Debtors
(C) Current Assets / Current Liabilities
(D) None of the above
64. Gross profit ratio can be computed by :
- (A) $\frac{\text{Gross profit}}{\text{Net sales}} \times 100$
(B) $\frac{\text{Net profit}}{\text{Net sales}} \times 100$
(C) $\frac{\text{Net sales} - \text{Cost of goods sold}}{\text{Net sales}} \times 100$
(D) Both (A) and (C)

65. measures the efficiency or effectiveness with which a concern manages its resources or assets.
- (A) Current Ratio
 - (B) Activity Ratio
 - (C) Both (A) and (B)
 - (D) None of the above
66. The optimum level of inventory is popularly referred to as the :
- (A) minimum stock level
 - (B) re-order stock level
 - (C) economic order quantity
 - (D) None of the above
67. In the formula of EOQ, the alphabet 'O' stands for :
- (A) ordering level
 - (B) ordering cost
 - (C) carrying cost
 - (D) None of the above
68. Which cost arises when opportunity cost in investment in inventories is postponed for a longer period ?
- (A) Understocking cost
 - (B) Overstocking cost
 - (C) Both (A) and (B)
 - (D) None of the above
69. Receivables means :
- (A) Account receivable
 - (B) Debtors
 - (C) Both (A) and (B)
 - (D) None of the above
70. Which cost is involved in maintaining account receivable ?
- (A) Cost of capital
 - (B) Cost of collection
 - (C) Defaulting cost
 - (D) All of the above
71. Which of the following factors affecting the size of receivables ?
- (A) Sales level
 - (B) Credit policies
 - (C) Credit terms
 - (D) All of the above

72. Account receivable are reported in the Balance Sheet :

- (A) at face value
- (B) at gross value
- (C) at net realizable value
- (D) at net credit sales value

73. The motives of firm holds cash are :

- (A) transaction motives
- (B) speculative motives
- (C) precautionary motives
- (D) All of the above

74. The basic objective of cash management is :

- (A) meeting cash disbursement
- (B) minimising funds locked up as cash balance
- (C) Both (A) and (B)
- (D) None of the above

75. Which is a specialised branch of accounting that keeps track of a company's financial transactions ?

- (A) Corporate Accounting
- (B) Management Accounting
- (C) Financial Accounting
- (D) Cost Accounting

76. Which is not a benefit of financial accounting ?

- (A) Managing systematic records
- (B) Protecting and Safeguarding business assets
- (C) Historical in nature
- (D) None of the above

77. Which are the bases of the business' financial accounting ?

- (A) Accounting records
- (B) Book-keeping
- (C) Sales volume
- (D) Both (A) and (B)

78. Financial accounting reports include :

- (A) Profit and Loss Account
- (B) Director's report
- (C) Balance Sheet
- (D) All of the above

79. Financial accounting covers overall performance of the :
- (A) competitors
 - (B) markets
 - (C) company
 - (D) finance department
80. The feasible purpose of financial management is :
- (A) wealth maximisation
 - (B) sales maximisation
 - (C) profit maximisation
 - (D) assets maximisation
81. The concept of conservatism takes into account :
- (A) all prospective profits and all prospective losses
 - (B) all prospective losses but not the prospective profits
 - (C) all prospective profits and leaves all prospective losses
 - (D) None of the above
82. According to going concern concept, a business is viewed as having :
- (A) a limited life
 - (B) a very long life
 - (C) an indefinite life
 - (D) None of the above
83. During the lifetime of an entity accounting produces financial statements in accordance with which accounting concept ?
- (A) Conservatism
 - (B) Accounting period
 - (C) Matching
 - (D) Cost
84. Which of the following concepts, the owner of a business is treated as creditor to the extent of his capital ?
- (A) Money measurement concept
 - (B) Dual aspect concept
 - (C) Cost concept
 - (D) Business entity concept

85. YZ Ltd. follows the straight line method of depreciation year after year due to :
- (A) consistency
 - (B) comparability
 - (C) convenience
 - (D) All of the above
86. Users of accounting information are of :
- (A) internal users
 - (B) external users
 - (C) Both (A) and (B)
 - (D) None of the above
87. Book-keeping is conserved with :
- (A) recording financial data relating to business
 - (B) designing for system recording, classifying and summarising recorded data
 - (C) interpreting data for internal and external users
 - (D) None of the above
88. Internal users of accounting information is :
- (A) owners
 - (B) management
 - (C) employee
 - (D) All of the above
89. What is the limitation of accounting ?
- (A) It is not fully exact.
 - (B) It provides unrealistic information.
 - (C) It may lead to window dressing.
 - (D) All of the above
90. Which accounting is concerned with generating accounting information relating to funds, costs, profits etc. ?
- (A) Management
 - (B) Cost
 - (C) Financial
 - (D) None of the above
91. Which is the purpose of accounting standards ?
- (A) For maintaining consistency
 - (B) For making financial statements comparable
 - (C) For reducing chances of manipulation
 - (D) All of the above
92. On which basis of accounting company record all the transactions at the time when they take place ?
- (A) Cash
 - (B) Accrual
 - (C) Both (A) and (B)
 - (D) None of the above

93. The objective of setting accounting standard is to ensure :
- (A) transparency
 - (B) consistency
 - (C) comparability
 - (D) None of the above
94. The Institute of Chartered Accounts of India has issued standards.
- (A) 35
 - (B) 32
 - (C) 20
 - (D) None of the above
95. Which of the following accounting equations is correct ?
- (A) $\text{Assets} + \text{Liabilities} = \text{Capital}$
 - (B) $\text{Assets} + \text{Capital} = \text{Liabilities}$
 - (C) $\text{Liabilities} + \text{Capital} = \text{Assets}$
 - (D) $\text{Assets} - \text{Liabilities} = \text{Capital}$
96. A journal is called a book of :
- (A) first entry
 - (B) secondary entry
 - (C) final entry
 - (D) None of the above
97. Debit what comes in and credit what goes out is the rule of :
- (A) Real Account
 - (B) Personal Account
 - (C) Nominal Account
 - (D) None of the above
98. Under double entry book-keeping system, every debit has a corresponding of equal amount.
- (A) occur
 - (B) credit
 - (C) increase
 - (D) personal
99. Business transactions are recorded :
- (A) in chronological order
 - (B) weekly
 - (C) at the end of the month
 - (D) at the end of the year
100. A withdrawal of cash from business by the owner for his personal use should be credited to :
- (A) Drawings A/c
 - (B) Capital A/c
 - (C) Cash A/c
 - (D) None of the above

4. Four alternative answers are mentioned for each question as—A, B, C & D in the booklet. The candidate has to choose the correct answer and mark the same in the OMR Answer-Sheet as per the direction :

Example :

Question :

Q.1 (A) ● (C) (D)

Q.2 (A) (B) ● (D)

Q.3 (A) ● (C) (D)

Illegible answers with cutting and over-writing or half filled circle will be cancelled.

5. Each question carries equal marks. Marks will be awarded according to the number of correct answers you have.
6. All answers are to be given on OMR Answer sheet only. Answers given anywhere other than the place specified in the answer sheet will not be considered valid.
7. Before writing anything on the OMR Answer Sheet, all the instructions given in it should be read carefully.
8. After the completion of the examination candidates should leave the examination hall only after providing their OMR Answer Sheet to the invigilator. Candidate can carry their Question Booklet.
9. There will be no negative marking.
10. Rough work, if any, should be done on the blank pages provided for the purpose in the booklet.
11. To bring and use of log-book, calculator, pager and cellular phone in examination hall is prohibited.
12. In case of any difference found in English and Hindi version of the question, the English version of the question will be held authentic.

Imp. : On opening the question booklet, first check that all the pages of the question booklet are printed properly. If there is any discrepancy in the question Booklet, then after showing it to the invigilator, get another question Booklet of the same series.

4. प्रश्न-पुस्तिका में प्रत्येक प्रश्न के चार सम्भावित उत्तर—A, B, C एवं D हैं। परीक्षार्थी को उन चारों विकल्पों में से सही उत्तर छौटना है। उत्तर को OMR आन्तर-शीट में सम्बन्धित प्रश्न संख्या में निम्न प्रकार करना है :

उदाहरण :

प्रश्न :

प्रश्न 1 (A) ● (C) (D)

प्रश्न 2 (A) (B) ● (D)

प्रश्न 3 (A) ● (C) (D)

अपठनीय उत्तर या ऐसे उत्तर जिन्हें काटा या बदला गया है, या गोले में आधा भरकर दिया गया, उन्हें निरस्त कर दिया जाएगा।

5. प्रत्येक प्रश्न के अंक समान हैं। आपके जितने उत्तर सही होंगे, उन्हीं के अनुसार अंक प्रदान किये जायेंगे।
6. सभी उत्तर केवल ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर ही दिये जाने हैं। उत्तर-पत्रक में निर्धारित स्थान के अलावा अन्यत्र कहीं पर दिया गया उत्तर मान्य नहीं होगा।
7. ओ. एम. आर. उत्तर-पत्रक (OMR Answer Sheet) पर कुछ भी लिखने से पूर्व उसमें दिये गये सभी अनुदेशों को सावधानीपूर्वक पढ़ लिया जाये।
8. परीक्षा समाप्ति के उपरान्त परीक्षार्थी कक्ष निरीक्षक को अपनी OMR Answer Sheet उपलब्ध कराने के बाद ही परीक्षा कक्ष से प्रस्थान करें। परीक्षार्थी अपने साथ प्रश्न-पुस्तिका ले जा सकते हैं।
9. निगेटिव मार्किंग नहीं है।
10. कोई भी रफ कार्य, प्रश्न-पुस्तिका के अन्त में, रफ-कार्य के लिए दिए खाली पेज पर ही किया जाना चाहिए।
11. परीक्षा-कक्ष में लॉग-बुक, कैलकुलेटर, पेजर तथा सेल्युलर फोन ले जाना तथा उसका उपयोग करना वर्जित है।
12. प्रश्न के हिन्दी एवं अंग्रेजी रूपान्तरण में भिन्नता होने की दशा में प्रश्न का अंग्रेजी रूपान्तरण ही मान्य होगा।

महत्वपूर्ण : प्रश्नपुस्तिका खोलने पर प्रथमतः जाँच कर देख लें कि प्रश्न-पुस्तिका के सभी पृष्ठ भलीभाँति छपे हुए हैं। यदि प्रश्नपुस्तिका में कोई कमी हो, तो कक्षनिरीक्षक को दिखाकर उसी सिरीज की दूसरी प्रश्न-पुस्तिका प्राप्त कर लें।