**Assignment for Sr Finance Executive**

Question 1. Explain What Is Cash Flow And Fund Flow?

Answer:Cash flows refer to the movements of money into and out of a business, typically categorized as cash flows from operations, investing, and financing.

Fund flow is the net of all cash inflows and outflows in and out of various financial assets. Fund flow is usually measured on a monthly or quarterly basis

Question 2. Tell Me What Is the Difference Between Provision and Reserves?

Answer: Provision is an amount set aside from a company's profits to cover an expected liability or a decrease in the value of an asset, even though the specific amount might be unknown.

Reserves are part of profits or gain that has been allotted for a specific purpose. Reserves are usually set up to buy fixed assets, pay bonuses, pay an expected legal settlement, pay for repairs & maintenance and pay off debt.

Question 3. Tell Me Is Financial Accounting Necessary?

Answer:Financial accounting is important for businesses because it helps them keep track of their financial transactions. In turn, they can make sound decisions on how to allocate their resources. In addition, financial accounting helps you communicate your business finances to outside parties such as creditors and investors.

Question 4. Is There A Difference Between Accounting For Conversion Of Bonds And Accounting For The Conversion Of Preferred Stock?

Answer:The difference between [stocks](https://www.accountingtools.com/articles/what-is-stock.html) and [bonds](https://www.accountingtools.com/articles/2017/5/10/bond) is that stocks are shares in the ownership of a business, while bonds are a form of [debt](https://www.accountingtools.com/articles/2017/5/6/debt) that the [issuing entity](https://www.accountingtools.com/articles/2017/5/10/issuer) promises to repay at some point in the future. A balance between the two types of funding must be achieved to ensure a proper [capital structure](https://www.accountingtools.com/articles/2017/5/14/capital-structure) for a business.

Question 5. How Many Invoices on Average Do You Handle on A Weekly/monthly Basis?

Answer: weekly= 290 to 320

Question 6. What Is The Entry For Provision? What Is The Provision?

Answer:Provision is an amount set aside from a company's profits to cover an expected liability or a decrease in the value of an asset, even though the specific amount might be unknown.

Entry - Debit Expense Account and Credit Provision for Expense Account.

Question 7. Does The Accounting System Appear To Facilitate One Specialty From Financial, Auditing, Or Cost Managerial Or Tax Accounting Over The Others?

Answer:The elegance of Accounting is that it is a purveyor of information, organized into systems, and exploited for a particular purpose. That is because Accounting is vague. Interestingly, information from accounting can be split into to methods: 1. Valuation 2. Evaluation

Question 8. Explain What Is Accounting Management?

Answer:Management accounting helps managers within a company make decisions. Also known as cost accounting, management accounting is the process of identifying, analyzing, interpreting and communicating information to managers to help achieve business goals.

Question 9. Explain What Is Executive Accounting?

Answer:Executive Accounting is designed for service type businesses that require a sophisticated accounting system, yet simple to use accounting system. Executive Accounting contains many advanced features such as three styles of invoicing (service, distribution and recurrent), multi-currency capabilities, multiple bank account capabilities and other powerful features. Executive is a single-user system that can be upgraded to an unlimited number of users.

Question 10. Explain What Is Meant By Partitioning?

Answer:Partitioning in accounting means the division/subdivision/grouping /regrouping of financial transactions in various heads in a financial year.

Question 11. Tell Me What Is Accounting Normalization?

Answer:Normalization is the process of removing non-recurring expenses or revenue from a financial metric.Once earnings have been normalized, the resulting number represents the future earnings capacity that a buyer would expect from the business

Question 12. Explain What Is Meant By Balancing?

Answer:Balancing means summing the debit and credit sides of an account and make the same equal by carry forwarding the balance in other side.

Question 13. Can You Please Give Me Examples Of Accounting Reports You Have Prepared?

Answer: Aging Report, AP reconciliation, Vendor Reconciliation, GRIR report.

Question 14. Tell Me What Are The Differences Between Accounting And Auditing?

Answer:Accounting is an art of orderly, keeping the records of the monetary transactions and preparation of the financial statements of the company. Auditing is an analytical task which involves the independent evaluation of the financial information to express an opinion on true and fair view.

Question 15. Tell Me What Are The Different Branches Of Accounting?

Answer:[Financial Accounting](https://www.freshbooks.com/hub/accounting/8-branches-of-accounting#1.financialaccounting) ,[Cost Accounting](https://www.freshbooks.com/hub/accounting/8-branches-of-accounting#2.costaccounting), [Auditing](https://www.freshbooks.com/hub/accounting/8-branches-of-accounting#3.Auditing) ,[Managerial Accounting](https://www.freshbooks.com/hub/accounting/8-branches-of-accounting#4.ManagerialAccounting) ,[Accounting Information Systems](https://www.freshbooks.com/hub/accounting/8-branches-of-accounting#5.AccountingInformationSystems), [Tax Accounting](https://www.freshbooks.com/hub/accounting/8-branches-of-accounting#6.TaxAccounting) ,[Forensic Accounting](https://www.freshbooks.com/hub/accounting/8-branches-of-accounting#7.ForensicAccounting) ,[Fiduciary Accounting](https://www.freshbooks.com/hub/accounting/8-branches-of-accounting#8.FiduciaryAccounting)

Question 16. Explain What Is Accounting Period?

Answer:An accounting period is the time frame for which a business prepares its financial statements and reports its financial performance and position to external stakeholders.

Question 17. Explain What Is GST?

Answer:Goods and service tax or GST subsumed most of the indirect taxes. It has brought us to the “One nation one tax” regime. Accounting under GST is simpler compared to the erstwhile VAT and excise.

Question 18. Explain What Is Capital Gain?

Answer:Capital gain refers to an increase in a capital asset's value and is considered to be realized when the asset is sold. A capital gain may be short-term (one year or less) or long-term (more than one year) and must be claimed on income taxes.

Question 19. Explain What Are Bills Receivable?

Answer:Bills receivable is often used as an alternative term for accounts receivable but more specifically relates to amounts due to a business under bills of exchange. When a business sells goods to a customer, they might also draw up a bill of exchange on the customer.

Question 20. Tell Me What Is Depreciation And How Many Types Are There. Please Give Details?

Answer:The monetary value of an asset decreases over time due to use, wear and tear or obsolescence. This decrease is measured as depreciation.

Straight-Line Depreciation Method

[Straight-line depreciation](https://corporatefinanceinstitute.com/resources/knowledge/accounting/straight-line-depreciation/) is a very common, and the simplest, method of calculating depreciation expense. In straight-line depreciation, the expense amount is the same every year over the useful life of the asset.

Depreciation Formula for the Straight-Line Method:

Depreciation Expense = (Cost – Salvage value) / Useful life

Double Declining Balance Depreciation Method

Compared to other depreciation methods, [double-declining-balance depreciation](https://corporatefinanceinstitute.com/resources/knowledge/accounting/double-declining-balance-depreciation/) results in a larger amount expensed in the earlier years as opposed to the later years of an asset’s useful life. The method reflects the fact that assets are typically more productive in their early years than in their later years – also, the practical fact that any asset (think of buying a car) loses more of its value in the first few years of its use. With the double-declining-balance method, the depreciation factor is 2x that of the straight-line expense method.

Depreciation formula for the double-declining balance method:

Periodic Depreciation Expense = Beginning book value x Rate of depreciation

Units of Production Depreciation Method

The units-of-production depreciation method depreciates assets based on the total number of hours used or the total number of units to be produced by using the asset, over its useful life.

The formula for the units-of-production method:

Depreciation Expense = (Number of units produced / Life in number of units) x (Cost – Salvage value)

Question 21. Tell Me What Is Computerized Accounting?

Answer:A computerized accounting system is an accounting information system that processes the financial transactions and events as per Generally Accepted Accounting Principles (GAAP) to produce reports as per user requirements. Every accounting system, manual or computerized, has two aspects.

Question 22. Explain What Is Marginal Cost?

Answer:Marginal cost refers to the increase or decrease in the cost of producing one more unit or serving one more customer

Question 23. Tell Me What Is Executive Accounting?

Answer:Executive Accounting is designed for service type businesses that require a sophisticated accounting system, yet simple to use accounting system. Executive Accounting contains many advanced features such as three styles of invoicing (service, distribution and recurrent), multi-currency capabilities, multiple bank account capabilities and other powerful features. Executive is a single-user system that can be upgraded to an unlimited number of users.

Question 24. Tell Us How To Prepare Finalization Accounts?

Answer:Step-by-Step Guide to Finalising your Accounts after the year end

Record>Reconcile>Make Adjustments before finalising Accounts>Extract Final Accounts.>Send your Accounts for Audit>Create a New Financial year in Reach Accountant.

Question 25. Explain What Is The Basic Accounting Equation?

Answer:the accounting equation formula is Assets = Liabilities + Equity.

Question 26. Tell Me What Is Bank Reconciliation Statement?

Answer:A bank reconciliation statement is a summary of banking and business activity that reconciles an entity's bank account with its financial records. The statement outlines the deposits, withdrawals, and other activities affecting a bank account for a specific period.

Question 27. Explain What Are The Fictitious Assets?

Answer:Fictitious assets are the assets which has no tangible existence, but are represented as actual cash expenditure.

Question 28. Tell Me Where Should TDS Received Should Show in Balance Sheet?

Answer:In the Balance Sheet, TDS is always shown in Liability Side, as it is a liability to the Government, the amount we used to collect on behalf of the Government in the business process from the others. And it will be shown in Assets side when the amount has been deducted by others on this account.

Question 29. Tell Me What Do You Mean By Material Facts In Accounting?

Answer:Material facts means the vouchers, Bills and any relevant document like Invoices, Bills of Lading, Debit and Credit Notes, Receipts, etc., on the basis of which the accounts books prepared and get audited.

Question 30. Explain What Is The Dual Aspect Concept?

Answer:The dual aspect concept states that every business transaction requires recordation in two different accounts. This concept is the basis of double entry accounting, which is required by all accounting frameworks in order to produce reliable financial statements.

Question 31. Tell Me What Is Departmental Accounting?

Answer:Departmental accounting is a system of accounting which maintains a separate book of account for every department or branch of a business enterprise. It is one where accounts are prepared and maintained for different departments of an organization on an individual basis for evaluating their results in a fair manner.

Question 32. Do You Know What Is Tally Accounting?

Answer:Tally Accounting is a software used for accounting purposes.

Question 33. Can You Tell Me What Makes A Successful Account Manager?

Answer:Empathetic – deeply understand the goals, drivers, and needs of others. Service-oriented – ready to go the extra mile for their clients. Strategic – doesn't get trapped in the weeds, understands the bigger picture. Proactive –To take action, is in charge.

Question 34. What Is Cost Accountancy? What Are the Objects of Cost Accountancy?

Answer: The recording of all the costs incurred in a business in a way that can be used to improve its management.Objectives of cost accounting are ascertainment of cost, fixation of selling price, proper recording and presentation of cost data to management for measuring efficiency and for cost control and cost reduction, ascertaining the profit of each activity, assisting management in decision making and determination of break

Question 35. What Are The Various Systems Of Accounting?

Answer:There are two types of accounting systems: The first is a Single-Entry System where a small business records every transaction as a line item in a ledger. The other is a Double Entry System, where every transaction is recorded both as a debit and credit in separate accounts.

Question 36. Can You Please Compare Financial Accounting And Cost Accounting?

Answer:Cost accounting compiles the cost of raw materials, work-in-process, and finished goods inventory, while financial accounting incorporates this information into its financial reports (primarily into the balance sheet)

Question 37. What Is Capitalization? What Is Its Importance?

Answer:Capitalization is an accounting method in which a cost is included in the value of an asset and expensed over the useful life of that asset, rather than being expensed in the period the cost was originally incurred.

Capitalization ensures that there are no large fluctuations in the earnings of a company from one financial year to the next since if a large expense is not capitalized and allocated over the relevant periods, it will result in a low or no profit in that financial year while the next years report huge profits.