**Assignment for Sr Finance Executive**

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

**Answer: *cash flow*** *is a financial statement that provides aggregate data regarding all cash inflows a company receives from its ongoing operations and external investment sources. It also includes all cash outflows that pay for business activities and investments during a given period.*

***Fund flow*** *is a statement prepared to analyse the reason for change in the financial position of a company between two balance sheets. It portrays the inflow and outflow of funds i.e. sources of funds and applications of funds for a particular period.*

**Question 2.** Tell Me What Is The Difference Between Provision And Reverse?

**Answer: Provision** *are required for known liability , which will occur in near future, but reserves are created for future use provisions are charged from P&L but reserves are appropriation of profit. Creations of provisions are necessary or mandatory.*

**Question 3.** Tell Me Is Financial Accounting Necessary?

**Answer: Financial accounting** *is a way for businesses to keep track of their operations, but also to provide a snapshot of their financial health. By providing data through a variety of statements including the balance sheet and income statements , a company can give investors and lenders more power in their decision-making.*

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

**Answer: *conversion of bonds*** *is the process of changing a* ***bond*** *in to shares. The number of shares that a bond can be* ***converted*** *in to depends on the* ***conversion*** *ratio, while the* ***conversion*** *price determines the cost per share.*

Convertible **preferred stocks** are **preferred shares** that include an option for the holder to **convert** the **shares** into a fixed number of common **shares** after a predetermined date. The value of a convertible **preferred stock** is ultimately based on the performance of the common **stock**.

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

**Answer:** *1200 invoices by month*

*300 invoices by week*

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

**Answer: ENTRY FOR PROVISION-**

*EXPENSE DR*

*PROVISION ACCOUNT CR*

**Provision** *means in which we will set aside the funds for future expected loss & liabilities. This is covered by AS 29 and shown under provisions & reserves head in liability side of balance sheet.*

**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  
  
1. Valuation - This is the type of information that financial/Tax/Cost accounting attempts to tackle. What is that worth? How much of it came from this source of value? What will be the asset be worth in ten years? All of these questions are valuation methods and accounting provides an informational standpoint from which to analyze these questions and ascertain an answer to them.  
  
2. Evaluation - This would be your classical managerial accounting. Did employee A provide hire effort? What should compensation look like? How are we performing? All are evaluation questions. Evaluation is especially important to Internal Audit and the control environment. You can easily image a professor conducting evaluation accounting to assign proper reward to students who exhibit learning through testing.*

**Question 8.** Explain What Is Accounting Management?

**Answer:** *Accounting management also called managerial accounting or cost accounting, is the process of analyzing business costs and operations to prepare internal financial report, records ,and account to aid managers decision making process in achieving 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 style of invoicing multi-currency capabilities , multiple bank account capabilities, and other powerful features.*

**Question 10.** Explain What Is Meant By Partitioning?

**Answer:** *Partitioning is when a solute is distributed between two phases is a separation process. Partitioning is when a solute is distributed between two phases in a separation process.*

**Question 11.** Tell Me What Is Accounting Normalization?

**Answer:** *Normalization involves adjusting non-recurring expenses or revenue in financial statements so that they only reflect the usual transactions of a company. The purpose of normalization is to eliminate such anomalies and provide accurate historical information that enables reliable comparisons and forecasting.*

**Question 12.** Explain What Is Meant By Balancing?

**Answer:** *if you balance an account , you adjust entries in the account in order to make the credit and debit totals equal. If the growing new ventures shows a profit, it is a fiction; a bookkeeping entry put in only to balance the accounts.*

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

**Answer:** *I have prepared account payable reports , bank reconciliation reports , profit and loss account , bankbook invoices like as sales & purchase.*

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

**Answer: Accounting** *involves tracing, reporting, and analyzing financial transaction. It covers everything from preparing individual tax returns to preparing financial statements for multinational corporations and is considered a fundamental discipline within the field of accounting*

***AUDITING*** *is an independent examination of accounting and financial records and financial statements to determine if they conform to the law and to generally accepted accounting principles.*

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

**Answer :**

* Financial accounting
* *Management accounting*
* Cost accounting
* Tax accounting
* Auditing
* Forensic accounting
* Fiduciary accounting
* Fund accounting
* Social accounting

**Question 16.** Explain What Is Accounting Period?

**Answer:** *An accounting period is a period of time that covers certain accounting functions, which can be a either a calendar of fiscal year, but also a week, month, or quarter etc. accounting periods are created for reporting and analyzing purposes, and the accrual method of accounting allows for consistent reporting.*

**Question 17.** Explain What Is GST?

**Answer:** *GST stands for goods &services tax, this is indirect tax and levied by central government*

*Following are the main components of the GST:*

*1. CGST*

*2. SGST*

*3. IGST*

*4. UTGST*

**Question 18.** Explain What Is Capital Gain?

**Answer: Capital gain** *is the profit one earns on the sale of an asset like stocks, bonds or real estate.*

**Question 19.** Explain What Are Bills Receivable?

**Answer:** *The bills of exchange that a company will receive payment for in the future, and the part of the company’s accounts that shows these bills. Bills receivable form part of a company’s assets.*

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

**Answer:** *Depreciation is the reduction in the value of assets due to usage, wear& tear &passage of time . this is the organized reduction in the value of asset. It is charged on tangible assets. Tangible asset has salvage value at the end of its life.*

*There are four methods for depreciation*

1. *Straight line depreciation*
2. *Declining balance depreciation*
3. *Sum-of-the-years digits depreciation*
4. *Units of production depreciation*

**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 to produce reports as per user requirements. Every accounting system, manual or computerized, has two aspects.*

**Question 22.** Explain What Is Marginal Cost?

**Answer:** *The marginal cost is the cost of producing one more unit of a good. Marginal cost includes all of the costs that vary with the level of production. for example , if a company needs to build a new factory in order to produce more goods , the cost of building the factory is a marginal cost.*

**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 style of invoicing multi-currency capabilities , multiple bank account capabilities, and other powerful features.*

**Question 24.** Tell Us How To Prepare Finalization Accounts?

**Answer:** *First of all post all the journals in the ledger and then post in the trial balance and from that prepare trading account and manufacturing account and profit and loss account. And then prepare profit and loss adjustment account and with the help of trial balance prepare balance sheet and also show the profit under reserves after deducting the previous year losses and show contingencies in the notes to accounts.*

**Question 25.** Explain What Is The Basic Accounting Equation?

**Answer: ASSET=LIABILITY+EQUITY**

**Question 26.** Tell Me What Is Bank Reconciliation Statement?

**Answer: BRS** *is the statement in which we reconcile the closing balance of the bank GL and closing balance of bank statement on a particular date. For this we identify the reasons for mismatch and do adjustment to reconcile both the balances.*

**Question 27.** Explain What Are The Fictitious Assets?

**Answer:** *Fictitious asset is not a real asset but deferred expenses that are shown in assets in the balance sheet. Expenses or losses that are not written off during the accounting period of occurrence because they give long term benefit over a period of time are categorized as fictitious asset*

**Question 28.** Tell Me Where TDS should Received 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 in accounting means those facts that involves material amount and which may affect the financial statements to a great extend and hence needed to be disclosed in the Companies financial statements. Material facts are the bills or any documents that becomes the base of every account book.*

**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 financial accounting which is used in the organizations whose all works are done through their different departments or departmental stores. Departmental accounts are prepared separately for each department and trial balance will also be prepared.*

**Question 32.** Do You Know What Is Tally Accounting?

**Answer: Tally accounting** *is software used for financial accounting purposes. It is provided by tally solutions and is a standard business accounting software.*

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

**Answer:** *A good account manager is knowledgeable and understands the goals and priorities of the company. They embrace and display its core values. Also , the account manager knows the industry and the company’s product or service*

**Question 34.** What Is Cost Accountancy? What Are The Objects Of Cost Accountancy?

**Answer:***.Cost accounting refers to the classification, recording and appropriate allocation of expenditure for the purpose of determining the costs of product or services. It involves the ascertainment of the cost of every job , order, product, process or service.*

**Question 35.** What Are The Various Systems Of Accounting?

**Answer;** *There are two types of accounting system: 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** *complies the cost of raw materials, work-in-process , and finished goods inventory , while* **financial accounting** *incorporates this information in to its financial reports .* **financial accounting** *personnel issue reports only at the end of a reporting period.*

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

**Answer:** *In finance, capitalization or book value is the total of a company’s debt and equity. Market capitalization is the dollar value of a company’s outstanding shares and is calculated as the current market price multiplied by the total number of outstanding shares.*