**Assignment for Sr Finance Executive**

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

**Answer:**Cash Flow Statement analyses the cash generating efficiency of the entity. Conversely, Fund Flow Statement examines the firm’s efficiency in utilizing the working capital.

**Question 2.** Tell Me What Is the Difference Between Provision and Reverse?**Answer:**The Provision means to provide for a future expected liability. On other hand Reserves means to retain a part of profit for future use.

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

**Answer:**Financial Accounting provides investors with a baseline of analysis forand comparison betweenthe financial health of securities-issuing corporations, Financial Accounting helps creditors assess the solvency, liquidity, and creditworthiness of businesses.

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

**Answer:**

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

**Answer:**I handle Approx. 70 invoices in weekly and 400 in monthly basis.

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

**Answer:**Entry for provision: –Audit fees expenses A/c Dr. 50,000

To Provision for Audit fees expenses 50,000 Provision is an amount set aside to cover probable future expense like Audit fees, bad debts, etc.

**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 twomethods: – a) Valuation b) Evaluation.

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

**Answer:**Management accounting also is known as managerial accounting and can be defined as a process of providing financial information and resources to the managers in decision making.

**Question 9.** Explain What Is Executive Accounting?

**Answer:**Executive accounting is designed for service type business that requires a sophisticated accounting system.

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

**Answer:**Portioning in accounts means creating different groups and sub groups, in which different transactions and ledgers can be recorded for better presentation and easy understanding of accounts. For example, office rent expenses and office rent maintenance expenses are shown separately

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

**Answer:**Normalization is the process of removing non-recurring expenses or revenue from a financial metric like EBITDA, EBIT or earnings. 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:** Two side of account is balanced as debit and credit is called balancing.

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

**Answer:**Example of Accounting Reports: – a) Statement of Profit & Loss Accounts b) Balance sheet c) Cash flow statements

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

**Answer:**Accounting is keeping the records of monetary transaction and preparation offinancial statements of organization. Auditing is to check the correctness of records of monetary transaction and financial statement.

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

**Answer:**Branches of Accounting:–a) Financial Accounting b) Cost Accounting c) Management Accounting d) Tax Accounting e) Fund Accounting f) Govt. Accounting g) Forensic Accounting h) Fiduciary Accounting

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

**Answer:**accounting year means the financial year or the previous year of the assesses which is of 12 months. For example- 01/04/2021 to 31/03/2022.

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

**Answer:**It is a destination-based tax that is levied on supply of goods and service.GST is known as Goods and Service Tax which has replaced many indirect tax and duty such as excise duty, service tax, vat, etc.

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

**Answer:**Profit of gain that arises from the transfer of capital Assets. Capital gain arises when we transfer (sale) capital assets like- land, building, shares, Mutual fund, Bonds, etc.

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

**Answer:**Bills Receivable or Accounts receivable is balance of money due to the organization for goods or services deliveredor used but not yet paid by Debtors/ customers. Bill receivable are shown under current assets in Balance Sheet.

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

**Answer:**Depreciation is reduction in value of assets over the course of its useful lifedue to usage, wear and tear, or obsolescence.**Types of depreciation**: – a) Straight Line Method- This amount of depreciation will be same over useful life of assets. Formula of Straight-Line Method= Cost -salvage value / years of useful life b) Written Down Value Method- Depreciation will be decreasing over the useful life

**Question 21.** Tell Me What Is Computerized Accounting?

**Answer:**Computerized accounting systems are software programs that are stored on a company's computer, network server, or remotely accessed via the Internet.

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

**Answer:**Marginal cost represents the incremental costs incurred when producing additional units of a good or service. It is calculated by taking the total change in the cost of producing more goods and dividing that by the change in the number of goods produced.

**Question 23.** Tell Me What Is Executive Accounting?

**Answer:**Executive accounting is designed for service type business that requires a sophisticated accounting system.

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

**Answer:**Finalization of account means check and reconcile the books of accounts is correct and accurate. Process of Finalization Accounts: –a) verification of opening balance with last year b) prepare bank reconciliation statement c) check for transactions which we have not recorded in books of Accounts d) verify Sales & Purchase Register with documents and reconcile figure with GST returns. e) passing entries of bad debts and depreciation. f) verify cash transactions payment, receipts both under limit with no negative cash balance g) verify customers and suppliers ledger send balance confirmation letters to them h) calculate interest payable and receivable on loans, investments and pass journal entriesi) make provision for unpaid expenses and provision for pre-paid expenses and pass entries. j) passing adjustment entries (if any requirement).

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

**Answer:**(a)Assets = Liabilities + Equity, (b)Shareholder Equity = Assets –Liabilities

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

**Answer:**Bank Reconciliation statement is a report for matching the bank statements recorded in books of accounts. Bank Reconciliation help to check the correctness of the entries recorded in books of accounts. For example- cheque issued to party but not cleared in bank because of party is not deposited cheque in their bank till now, bank charges debited by bank but we did not records bank charges in our books of Accounts.

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

**Answer:**Fictitious assets are expenses or losses which for some reason are not written off during the accounting period. For example- promotional expense Rs. 1crore, the benefit of this 1 crore Rs. cannot be utilized in one accounting, Organization will utilize this benefit next 10years.

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

**Answer:**“TDS received” is considered that refund of TDS under Income Tax Act 1961, when we received TDS refund amount from Income tax department then this is adjusted from TDS receivable which iscomes under current assets in balance sheet.“When TDS is deducted by our debtors, then TDS receivable is shown under current assets in Balance sheet in our books of Accounts”.

**Question 29.** TellMe What Do You Mean by Material Facts in Accounting?

**Answer:**Material Facts means those facts that involves material amount and which effect the financial statement to a great extent. Material facts varies from size of business for example – 500 Rs is not material facts in big business but it is material facts in small proprietor.

**Question 30.** Explain What Is The Dual Aspect Concept?

**Answer:**Double Entry System of Accounting means every business transaction involves at least two accounts debit and credit. Every business transaction has an equal and opposite effect in minimum two different accounts.

**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 in which we record of accounting transaction like sale, purchase, expenses, income, etc.

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

**Answer:**List of skill for aSuccessful Account Manager: - a) Good Team Leader b) Listening c) Time Management d) Relationship (trust) Building e)CommunicationSkills

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

**Answer:**Cost accounting is a method of managerial accounting which aims to capture the total production cost of a business by measuring the variable costs of each production phase as well as fixed costs, such as a lease expense.

The Objects of Cost Accountancy: – a)to ascertain the profitability of each of the products and advise management as to how these profits can be maximized b) to provide a correct analysis of cost both by process or operations and by different elements of cost.

**Question 35.** What Are the Various Systems of Accounting?

**Answer:**There are two systems of Accounting: – a) Accrual System of Accounting b) Cash System of Accounting

**Question 36.** Can You Please Compare Financial Accounting and Cost Accounting?

**Answer:**Financial accounting refers to the accounting concerned with recording financial data of an organization, in order to exhibit exact position of the business. On other hand CostAccounting refers to that branch of accounting which deals with costs incurred in the production of units of an organization.

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

**Answer:**Capitalization is the recordation of a [cost](https://www.accountingtools.com/articles/2017/5/4/cost) as an [asset](https://www.accountingtools.com/articles/what-is-an-asset.html), rather than an [expense](https://www.accountingtools.com/articles/2017/5/6/expense). This approach is used when a cost is not expected to be entirely consumed in the current period, but rather over an extended period of time.