MMS/D-16
FINANCIAL ACCOUNTING
PAPER-CP-106

Time Allowed: 3 Hours Maximum Marks: 70

Part-A

Note: Attempt any eight questions. Each question carries 5 marks.

1. Explain the salient features of Tally.
2. What is the scope of financial accountancy?
3. Why Profit and Loss A/c is prepared?
4. What are the assumptions of break-even point.
5. State the limitations of Performance Budgeting.
6. What is Various Analysis?
7. State the advantages of cash flow statement.
8. Discuss the nature of cost accounting.
9. What are the management application of marginal costing?
10. Define Responsibility Centres.

Part-B

Note: Attempt any 3 questions. Each question carries 10 marks

11. What is standard costing? Bring out clearly the relationship between standard costing and budgetary control.
12. "A cost accounting system that simply records costs for the purpose of fixing selling prices has accomplished only a small part of its mission." Comment.
13. Calculate working capital turnover ratio from the following information :

Current ratio	=5:3
Quick ratio	=3:5
Inventory turnover ratio	=5 times

Closing Stock was Rs. 1, 92,000 less than opening stock	
Gross profit	=25% on cost
Average debt collection period	= 3 months
Cash sales	=25% of Total sales
Opening debtors	=Rs. 2,80,000
Closing debtors	=Rs. 3,20,000

14. The cost of an article at capacity level of 5,000 units is given under A below. For a variation of 25% in capacity above or below this level, the individual expenses vary as indicated under B below:

Market cost	25,000	(10% varying)
Labour cost	15,000	(100% varying)
Power	1,250	(80% varying)
Repairs and maintenance	1,000	(100% varying)
Inspection	500	(20% varying)
Depreciation	10,000	(100% fixed)
Administration overheads	5,000	(25% varying)
Selling overheads	3,000	(50% varying)
	62,750	
Cost per unit	12.55	

Find the unit cost of the product under each individual expense at production levels of 4,000 units and 6,000 units.

15. Following information are available from the cost records of a manufacturing company :

Fixed expenses	Rs. 4,000
Break-even point	Rs. 10,000

You are required to calculate:

(i) P/V ratio

(ii) Profit where sales are Rs. 20,000

(iii) New break even point if selling price is reduced by 20%