

Roll NO. ....

**MMS/D-14**  
**FINANCIAL ACCOUNTING**  
**Paper—CP—106**

**13565**

Time Allowed : 3 Hours]

[Maximum Marks : 70

**PART-A**

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

1. Explain the scope of Financial accounting.
2. What are the salient features of Accounting Software Tally?
3. Discuss the importance of IFRS.
4. Explain the advantages of Performance Budgeting.
5. What are the assumptions of Break-even analysis?
6. Discuss the objectives of Responsibility Accounting.
7. What is Financial Statement analysis?
8. Explain the advantages of Human Resource accounting.
9. Describe the Scope of Financial accounting.
10. Differentiate between Marginal costing and Absorption costing.

**PART—B**

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

11. What are the various circumstances under which material price and material usage variance are likely to arise?
12. "Income Statement concentrates on operating part while Funds Flow Statement throws light on the activities and the direction of operations". Comment.
13. Prepare a flexible budget for production at 80% and 100% of activity :

	Production at	5,000 units
	50% capacity	
Raw materials	Rs. 80 per unit	
Direct labour	Rs. 50 per unit	
Variable expenses	Rs. 10 per unit	
Factory overheads	Rs. 50,000	
	(50% of fixed)	
	at 50% capacity	
	operation.	
Office overheads	Rs. 60,000	
	(40% fixed)	
	at 50% capacity	
	operation.	

14. There are three companies in the country manufacturing a particular chemical. Following data are available for the year 2012-13 :

(Rs in Lakh)

Company	Net Sales	Operating Cost	Operating Assets
A Ltd.	Rs. 300	Rs. 255	Rs. 125

B Ltd	Rs. 1500	Rs. 1200	Rs. 750
C Ltd.	Rs. 1400	Rs. 1050	Rs. 1250

Which is the best performance as per your assessment and Why ?

15. The Laila Shoe Company sells five different styles of Ladies chappals with identical purchase costs and selling price. The company is trying to find out the profitability of opening another store, which will have the following expenses and revenue :

	Per Pair
	Rs.
Selling Price	<u>30.00</u>
Variable cost	19.50
Salesmen's Commission	<u>1.50</u>
Total variable cost	<u>21.00</u>
Annual fixed expenses are	
	Rs.
Rent	60,000
Salaries	2,00,000
Advertising	80,000
Other fixed expenses	<u>20,000</u>
	<u>3,60,000</u>

Required :

- Calculate the annual break-even point in units and in value. Also determine the Profit or Loss if 35,000, pairs of chappals are sold.
- The sales commissions are proposed to be discontinued, but instead a fixed amount of Rs. 90,000 is to be incurred in fixed salaries.

A reduction in selling price of 5% is also proposed. What will be the break-even point in units?

- It is proposed to pay the Store Manager 50 paise per pair as further commission. The selling price is also proposed to be increased by 5%. What would be the break-even point in units?

(Note : Consider each case separately)