

Duration: 3 Hours

Max. Marks: 100

PART - A (MCQ) (20 × 1 = 20 Marks)

Answer ALL Questions

Marks *K-
Level* CO

- | | | | | |
|---|--|----------------------|--------------------------|-----------------|
| 1. Which report gives a review on the profitability of a business?
(a) Statement of changes in equity
(c) Balance sheet | (b) Cash flow statement
(d) Income Statement | 1 | <i>K1</i> | <i>CO1</i> |
| 2. Process of financial audit begins with
(a) Planning | (b) Reporting | (c) Testing | (d) Internal Control | 1 <i>K1 CO1</i> |
| 3. Qualified audit means:
(a) Non-Submission of report
(b) clear report
(c) Auditor expresses an opinion with reservation of material nature but not pervasive
(d) Pending report | | 1 | <i>K1</i> | <i>CO1</i> |
| 4. Report given by the auditor after the audit work is known as,
(a) Qualified Report | (b) Unqualified report | (c) Interim report | (d) Audit report | 1 <i>K1 CO1</i> |
| 5. Which type of auditor report does not exist?
(a) Audit report with an emphasis of matter paragraph
(c) Simple report | (b) Unmodified opinion report
(d) Qualified report. | 1 | <i>K1</i> | <i>CO2</i> |
| 6. Cash deposited into bank is recorded in the cash book on:
(a) Debit side | (b) Credit side | (c) Both the sides | (d) None of the above. | 1 <i>K1 CO2</i> |
| 7. A cash book is used to:
(a) compute the profit and loss of a business
(c) record only receipt of cash | (b) record receipts and payments of cash
(d) record only payments of cash | 1 | <i>K1</i> | <i>CO2</i> |
| 8. The credit side of cash book is known as
(a) the receipt side | (b) the profit side | (c) the payment side | (d) the loss side | 1 <i>K1 CO2</i> |
| 9. Purchase of machinery is recorded in
(a) Sales book | (b) Journal Proper | (c) Purchase book | (d) Purchase return book | 1 <i>K1 CO3</i> |
| 10. Net profit is calculated in which of the following account?
(a) Profit and loss account | (b) Balance sheet | (c) Trial balance | (d) Trading account | 1 <i>K1 CO3</i> |
| 11. The relationship between two financial variables can be expressed in:
(a) Pure ratio | (b) Percentage | (c) Rate or time | (d) all the above | 1 <i>K1 CO3</i> |
| 12. Stock is considered as a liquid asset as anytime it can be converted into cash immediately.
(a) Yes | (b) No | (c) Only YES | (d) None of the above | 1 <i>K1 CO3</i> |
| 13. Return on properties funds is also known as.
(a) Return on net worth
(c) Return on the shareholders' investment | (b) Return on shareholders' fund
(d) All the above | 1 | <i>K1</i> | <i>CO4</i> |
| 14. Liquid asset is determined by
(a) Current asset -stock -prepaid expense
(c) Current asset + prepaid expense | (b) Current asset + Stock + prepaid expense
(d) None of the above | 1 | <i>K1</i> | <i>CO4</i> |
| 15. Liquidity ratios are expressed in
(a) Pure ratio form | (b) Percentage | (c) Rate or time | (d) None of the above | 1 <i>K1 CO4</i> |
| 16. Sunk costs are:
(a) relevant for decision making
(c) cost to be incurred in future | (b) Not relevant for decision making
(d) future costs | 1 | <i>K1</i> | <i>CO4</i> |

17. Which of these is not a Material control technique: 1 K1 CO5
 (a) ABC Analysis (b) Fixation of raw material levels
 (c) Maintaining stores ledger (d) Control over slow moving and non moving items
18. The P/v ratio of a company is 50% and margin of safety is 40%. If present sales is Rs. 30,00,000 then Break Even Point in Rs. will be 1 K1 CO5
 (a) Rs. 9,00,000 (b) Rs. 18,00,000 (c) Rs. 5,00,000 (d) None of the above
19. When the sales increase from Rs. 40,000 to Rs. 60,000 and profit increases by Rs. 5,000, the P/V ratio is — 1 K1 CO5
 (a) 20% (b) 30% (c) 25% (d) 40%.
20. Statutory cost audit are applicable only to: 1 K1 CO5
 (a) Firm (b) Company (c) Individual (d) Society

PART - B (10 × 2 = 20 Marks)

Answer ALL Questions

21. Classify the concepts of Accounting cycle process. 2 K2 CO1
22. Which hard skills are important for financial accounting professionals? 2 K1 CO1
23. Define fixed assets with an suitable example. 2 K1 CO2
24. Compare Trial balance with Balance sheet. 2 K2 CO2
25. Have you ever had a client who had positive cash flows but struggled financially? How would you explain this in financial terms? 2 K2 CO3
26. What is mean by CVP analysis? 2 K1 CO3
27. Identify (a) Required sales to earn profit and (b) Required profit to earn sales. 2 K3 CO4
28. Recall the term Flexible budget? 2 K1 CO4
29. List out various sources and applications of Fund flow statement. 2 K1 CO5
30. Explain the terms: (i) Cash Equivalents (ii) Cash Flows. 2 K2 CO5

PART - C (6 × 10 = 60 Marks)

Answer ALL Questions

31. a) DB Ltd furnished the following information: 10 K4 CO1

Particulars	2021-22	2022-23
Sales (₹ 10/ unit)	2,00,000	2,50,000
Profit	30,000	50,000

You are required to compute: (a) P/V Ratio. (b) Break-even point. (c) Total variable cost for 2004-2005 & 2005-2006. (d) Sales required to earn a profit of Rs 60,000. (e) Profit/Loss when sales are Rs 1, 00,000. (f) Margin of Safety when Profit is Rs 80,000.

OR

- b) Outline the steps to prepare schedule changes Working capital. 10 K4 CO1
32. a) Prepare Single column Cash book from the following data 10 K3 CO2

Date	Particulars	Rs
01.01.2022	Started Business with cash	1500
03.01.2022	Purchased goods for cash	750
04.01.2022	Sold goods for cash	2550
05.01.2022	Cash received form suman	300
12.01.2022	Paid Babu	225
14.01.2022	Bought Machinery	300
15.01.2022	Purchase goods on credit	3000
20.01.2022	Paid electricity bill	338
24.01.2022	Paid salaries	375
28.01.2022	Received commission	112

OR

- b) Distinguish between Funds flow and Cash flow statement. 10 K3 CO2

33. a) Prepare a Flexible budget for overheads on the basis of the following data. 10 K4 CO3
Ascertain the overhead rates at 50% and 60% capacity.

**Variable overheads: At 60% capacity
(Rs)**

Indirect Material	6,000
Labour	18,000
Semi Variable OH:	
Electricity: (40% Fixed & 60% variable)	30,000
Repairs: (80% fixed & 20% Variable)	3,000
Fixed overheads:	
Depreciation	16,500
Insurance	4,500
Salaries	15,000
Total Overheads	93,000
Estimated direct Labour Hours	1,86,000

OR

- b) Explain the specimen of Comparative Statements-Common size statements. 10 K4 CO3

34. a) The sales turnover and profit during two years were as follows: 10 K4 CO4
From the below information calculate: (a) P/V Ratio, (b) Breakeven Point, (c) Sales required to earn a profit of Rs 40,000, (d) Fixed expense, (e) Profit when sales are Rs 1,20,000

Year	Sales (Rs)	Profit (Rs)
1991	1,40,000	15,000
1992	1,60,000	20,000

OR

- b) Comment on abnormal loss? State the causes of abnormal loss. Also explain the procedure of calculating abnormal loss in process costing. 10 K4 CO4

35. a) Prepare Trial balance from the following information as on 31st March 2023 from the books of M/s Moon Ltd. 10 K3 CO5

Particulars	Rs
Capital	2,49,000
General Expense	97,000
Machinery	1,18,680
Wages	14,400
Bad debts	1,100
Sales	3,30,720
Commission (Dr.)	5,500
Bills Payable	7,700
Bank Overdraft	28,600
Discount Allowed	1,210
Drawings	24,000
Buildings	78,000
Opening Stock	1,32,400
Insurance	2,610
Creditors	5,000
Loan (Cr.)	75,000
Purchases	2,10,800
Reserve Fund	15,000
Cash in hand	25,320

OR

- b) Is ratio analysis is so significance for evaluating the organization financial performance- Justify. 10 K3 CO5
36. a) i) Explain the common base used for allocation of overheads. 5 K2 CO4
ii) Classify the procedure for preparing process costing. 5 K2 CO5
- OR**
- b) i) Outline the techniques or tools used in financial statement analysis. 5 K2 CO4
ii) Discuss briefly the various classifications of Ratios. 5 K2 CO5