

(Following Paper ID and Roll No. to be filled in your Answer Book.)

PAPER ID : 9108

Roll
No.

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Int. LLB Examination 2013-2014

(Second Semester)

FUNDAMENTAL ACCOUNTING AND MANAGEMENT ACCOUNTING

Time : 3 Hours]

[Maximum Marks : 100

Note :- Attempt all questions.

SECTION – A

1. Fill in the blanks. All parts are compulsory : 1×20

- (a) The principle of accountancy which recognises the double aspect of a business transaction is known as
- (b) In accounting we can record only transaction.
- (c) Trial balance is prepare to check the accuracy of accounting.

[P. T. O.

- (d) In SLM amount of is constant for entire life of Asset.
- (e) In two columnar cash book one column is for cash and second for.....
- (f) Under hire purchase system the buyer has the option to return the
- (g) Bank reconciliation statement is prepared to reconcile the differences between the balances of Cash book and
- (h) holders having the voting right in the decision making of joint stock company .
- (i) Amount of dividend is fixed for share holders.
- (j) Budgetary control is one of the technique of accounting.
- (k) Ratio expresses the relationship between two Financial
- (l) Liquidity ratio measures the position of the firm.

- (m) Cash flow statement provides information about the cash receipts and of a firm for a given period.
- (n) At breakeven point total revenue is equal to
- (o) Variance analysis is the analysis of
- (p) A flexible takes account of a range of possible volumes.
- (q) Plan which is expressed in terms of numbers is called
- (r) Performance budgeting is described as a budgetary system where the input are related to performance.
- (s) In marginal costing costs are classified into fixed cost and
- (t) Sales – Variable cost =

SECTION – B

Note :- Answer any three parts.

10×3

2. (a) What is accounting? What are the main objectives of accounting?

- (b) Explain the following:
- (i) Paid up share capital
 - (ii) Issued share capital
 - (iii) Share forfeiture
 - (iv) Preference shares
- (c) Write short note on liquidity ratios.
- (d) Describe three different groups of variances that arise in standard costing.
- (e) Explain how the Zero base budgeting is superior over traditional budgeting?

SECTION – C

Note :- All questions are compulsory. 10×5

3. What is trial balance? Explain the errors which are not disclosed by the trial balance.

OR

How will you prepare a balance sheet of a firm? Explain with the help of suitable example.

4. Differentiate between Hire purchase system and installment system.

OR

How does management accounting differ from cost accounting and financial accounting?

5. From the following profit and Loss account of Royal Ltd., find out Gross Profit Ratio, Operating Ratio and Net Profit ratio.

Profit & Loss A/c

To open stock	10,000	By Sales	60,000	
To purchases 40,000		Less : Return	<u>4,000</u>	56,000
Less return <u>5,000</u>	35,000	By closing stock		10,000
To wages	900			
To gross profit C/d	20,100			
	66,000			66,000
To operat. exp. :				
Salaries	8,000	By gross profit b/d		20,100
Discount	400	By non-operating income		1,000
To distribution Exp.	500	Profit on sale of invest.		
To admin Exp.	2,000	interest on investment		800
To non-operat. Exp.	3,000			
To net profit	8,000			
	21,900			21,900

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OR

What is the funds flow analysis? What are the sources and application of funds?

6. A company producing a single product sells it at Rs. 50 p.u., variable cost is Rs.35 and fixed cost amounts to Rs. 1200000 p.a. With this data you are required to calculate the following, treating each independent of other :

- (a) P/V ratio and break even sales
- (b) New break even sales, if variable cost increase by Rs. 3 p.u.

OR

Explain briefly the terms Expense Centre, Profit Centre and Investment Centre.

7. What are the min requirements of a sound budgeting system? Explain.

OR

What is cash budget? Differentiate between Cash Budget and Cash Flow Statement.

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