

Business Accounting & Financial Management

XEV (H-II) – BBM(3)

2013

Time : 3 hours

Full Marks :75

Candidates are required to give their answer in their

Own words as far as practicable.

The questions are of equal value.

Answer any five questions, selecting

At least two from each group.

Group- A

1. “Financial planning is the key to successful business parathions” . Explain and discuss the basic characteristics of financial plan.
2. Define capitalisation. Explain the two main principles of capitalisation.
3. What are the sources of industrial finance ? Discuss.
4. The following data are being taken from the records of Tata Corporation as on 31 December, 2012 :

Cash	25,000	Bills payable	3,000
Debtors (Net)	12,000	Sales	53,000
Inventory	8,000	Purchases	34,000
Prepaid expenses	2,000	Purchase returns	750
Creditors	12,000		

On the basis of above information, compute the following :

- (a) Working capital ratio
- (b) Acid-test ratio
- (c) Inventory turnover

(d) Payable turn over

5. What do you mean by fund flow statement ? How does it differ from cash flow statement ?

Group- B

6. Define accounting ? Explain the principles of accounting with suitable examples.
7. What are the methods of valuation of good will ? Explain any one of them.
8. From the following list of balances, prepare a Trial Balance :

Capital A/C	1,00,000
Debtors A/C	20,000
Fixed asset A/C	92,000
Sales A/C	1,10,000
Return outwards A/C	1,000
Bills payable A/C	8,000
Balance overdraft A/C	11,000
Opening Stock A/C	15,000
Creditors A/C	20,000
Purchases A/C	70,000
Returns Inward A/C	2,000
Wages & Salaries A/C	30,000
Bills receivable A/C	15,000
Rent A/C	6,000

9. Gupta & Company purchased a machine by cheque for Rs.90,000 on January, 2001. Its probable working life was estimated at 10 years and its probable scrap value at the end of that time at Rs. 10,000. It was decided to write off depreciation by equal annual instalments. You are required to pass necessary journal entries for 1st and two years. It was decided to close books each year on December 31.

10. Write short notes on any two of the following :

- (a) Cash Book
- (b) Difference between capital and revenue expenditure
- (c) Admission of a partner
- (d) Investment account
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