

- Financial Accounting
- Business Entity concept
- State objectives of preparing Trial Balance
- Distinguish between capital and revenue expenditure
- IFRS
- State the reasons for depreciation
- Tax planning
- Liquidity ratios
- What is Funds from operations?
- Balanced score card

**PART – B** (5 x 12 = 60 Marks)

Answer all the questions using the internal choice.

- Explain the significance of accounting information in managerial decisions of a business.

**OR**

- From the following information, prepare a Trial Balance as on 31-3-2013.

Particulars	Amount	Particulars	Amount
Cash in hand	580	Building	10,000
Interest received	200	Debtors	3,000
Cash at Bank	25,000	Capital	55,000
Stock in hand	20,000	Loan from Bank	10,000
Furniture	2,000	Purchases	8,800
Discount received	380	Sales	7100
Creditors	5,000	Bad debts	300
Plant	5,300	Salaries	2,000
Interest on Bank loan	500	Drawings	200

- Discuss the problems involved in measurement of Business Income.

**OR**

- From the following information, prepare Final Accounts for the year ended 31-3-2013.

Particulars	Amount	Particulars	Amount
Capital Account	10,000	Debtors	7,500
Drawings Account	2,000	Returns Inwards	300
Purchases	20,800	Returns outwards	580
Opening stock	6,900	Carriage inwards	400
Sales	27,500	Wages	325
Creditors	8,100	Salaries	900
Rent	1,000	Interest	480
Discount (Cr)	270	Carriage outwards	700
Furniture	900	Insurance	900
Machinery	5,000	Bank loan	3,000
Travelling expenses	650	Cash in hand	575
Bad debts	120		

- (iii) Outstanding salaries Rs.100 and Rent Rs.200  
(iv) Interest on Bank loan Rs.150  
(iv) Depreciate Machinery and Furniture at 10%  
(v) Provide for Doubtful Debts 5% on Debtors

- 4 (a) What is meant by Financial statements analysis and explain various techniques for financial analysis.

**OR**

- (b) With the following ratios, prepare a Trading Account, Profit and loss Account and Balance Sheet.

Gross profit ratio	25%	Net Profit / Capital	1/5
Net profit ratio	20%	Capital to total Liabilities	1/2
Stock turnover ratio	10	Fixed Assets	Rs.10,00,000
Fixed Assets / Capital	5/4	Closing stock	Rs 1,00,000
Fixed Assets / Current Assets	5/7		

- 5 (a) Distinguish between Funds Flow and Cash flow analysis and state its managerial uses.

**OR**

- (b) From the following information, prepare a cash flow statement.

Liabilities	2012 Rs	2013 Rs	Assets	2012 Rs	2013 Rs
Preference Capital	-	10,000	Fixed Assets	41,000	40,000
Equity Capital	40,000	4,000	(-)Depreciation	<u>11,000</u>	<u>15,000</u>
General Reserve	2,000	2,000		30,000	25,000
P&L A/c	1,000	1,200	Debtors	20,000	24,000
Debentures	6,000	7,000	Stock	30,000	35,000
Creditors	12,000	11,000	Prepaid expenses	300	500
Provision for Tax	3,000	4,200	Cash	1200	3,500
Proposed Dividend	5,000	5,800			
Bank overdraft	<u>12,500</u>	6,800			
	81,500			<u>81,500</u>	<u>88,000</u>

- 6 (a) Discuss the significance and applicability of Accounting standards in International business environment.

**OR**

- (b) What is Resource Accounting? What are its advantages?

\*\*\*\*\*