

SRM VALLIAMMAI ENGINEERING COLLEGE

(An Autonomous Institution)

SRM Nagar, Kattankulathur – 603 203

DEPARTMENT OF MANAGEMENT STUDIES

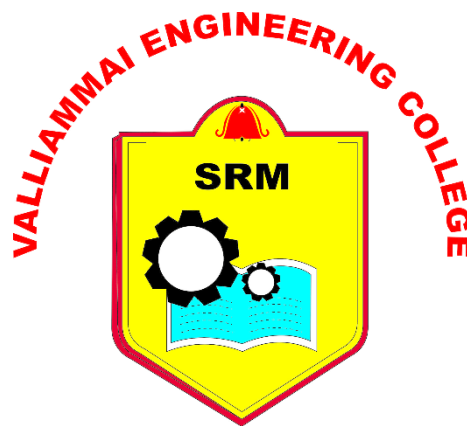
QUESTION BANK

I SEMESTER

19151013 – ACCOUNTING FOR MANAGEMENT

Regulation – 2019

Academic Year 2022 - 2023



Prepared by

Dr.M.Ganesan Alias Kanagaraj , Assistant Professor

Dr. J. Anand, Assistant Professor

Course Coordinator : Dr.M.Ganesan Alias Kanagaraj

UNIT – I – FINANCIAL ACCOUNTING**SYLLABUS:**

Introduction to Financial, Cost and Management Accounting- Generally accepted accounting principles, Conventions and Concepts- Journal – Ledger - Trial Balance -Preparation of final accounts: Trading, Profit and Loss Account and Balance sheet.

PART- A

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1.	Define Accounting & Book-Keeping.	Level 1	Remembering
2.	Compare Financial Accounting and Management Accounting	Level 2	Understanding
3.	What do you understanding about cost concept?	Level 3	Applying
4.	List the various forms of assets and liabilities.	Level 1	Remembering
5.	What are the golden Rules of Accounting?	Level 2	Understanding
6.	Interpret the usage of Financial Accounting.	Level 3	Applying
7.	What is meant by Journal?	Level 1	Remembering
8.	Compare Book-keeping and Accounting.	Level 2	Understanding
9.	Identify any two major drawbacks of historical accounting.	Level 3	Applying
10.	What do you think about GAAP?	Level 1	Remembering
11.	How is adjustments applied to solve final accounts?	Level 2	Understanding
12.	How would you evaluate the need for financial accounting?	Level 3	Applying
13.	Define Accounting cycle.	Level 1	Remembering
14.	Compare gross profit and net profit.	Level 2	Understanding
15.	Mention the various users of Management Accounting.	Level 3	Applying
16.	What do you think about Revenue Realization Concept?	Level 1	Remembering
17.	What is Balance Sheet?	Level 2	Understanding
18.	Classify any four concepts of Accounting.	Level 3	Applying
19.	Define Trial Balance.	Level 1	Remembering
20.	What is meant by Ledger and list its uses.	Level 2	Understanding
21.	State two difference between transaction and event.	Level 3	Applying
22.	What is Accounting Equation?	Level 1	Remembering
23.	Mention two characteristics of Assets.	Level 2	Understanding
24.	What do you mean by Balance of an Account?	Level 3	Applying

PART- B

S.NO	QUESTIONS	BT LEVEL	COMPETENCE																																																									
1.	How would you prepare trial balance from the following ledger balances:	(13)	Level 1	Remembering																																																								
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2.	What do you mean by accounting principles? Explain the various generally accepted accounting principles.	(13)	Level 2	Understanding																																																								
3.	Examine the objectives, functions and advantages and disadvantages of Financial Accounting in detail.	(13)	Level 3	Applying																																																								
4.	(i). Draw Accounting Cycle.	(4)	Level 1	Remembering																																																								
	(ii). Explain the following a) Tangible assets b) Intangible assets c) Fictitious assets	(9)	Level 1	Remembering																																																								
5.	Discover from the following are the balances extracted from the books of Deepak as on 31 st December 2019. Prepare Final accounts as on the date.	(13)	Level 2	Understanding																																																								
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			earned			
6.	Categorize the objectives, tools and advantages and disadvantages of Financial Accounting in detail.			(13)	Level 3	Applying
7.	Journalize the following Transactions:			(13)	Level 1	Remembering
	Date	Details	Rs.			
	01.01.2019	Bought goods on credit from Raju	200			
	02.01.2019	Goods Returned by Murthy	25			
	03.01.2019	Paid Carriage	50			
	04.01.2019	Received cash from Govind	500			
	05.01.2019	Paid Insurance Charges	50			
	06.01.2019	Sale of type writer	250			
	07.01.2019	Sold goods to Hari	150			
	08.01.2019	Commission received in cash	200			
8.	Construct a Accounting plan for activities to be carried out by managers in recent times highlighting the current trends.			(13)	Level 2	Understanding
9.	Elaborate the accounting cycle. Explain the classification and rules of accounts in detail.			(13)	Level 3	Applying
10.	How would you describe the objectives, functions and preparation of financial statements?			(13)	Level 1	Remembering
11.	Explain the difference of profit & loss account and balance sheet in detail.			(13)	Level 2	Understanding
12.	Analyze from the following trail balance, prepare trading, profit & loss account for the year ended 31-12-2019 and a Balance sheet as on that date.			(13)	Level 3	Applying
	Debit	Rs.	Credit	Rs.		
	Purchases	11,870	Capital	8,000		
	Debtors	7,580	Bad debts recovered	250		
	Return inwards	450	Creditors	1,250		
	Bank deposit	2,750	Return outwards	350		
	Rent	360	Bank overdraft	1,570		
	Salaries	850	Sales	14,690		
	Travelling Expenses	300	Bills payable	1,350		
	Cash	210				
	Stock	2,450				
	Discount Allowed	40				
	Drawings	600				

	TOTAL	27,460	TOTAL	27,460			
	Adjustments: <ul style="list-style-type: none"> ➤ The closing stock on 31-12-2015 was Rs.4200 ➤ Write off Rs.80 as bad debts and create a reserve for bad debts at 5% on sundry debtors. ➤ 3 months rent is outstanding. 						
13.	How would you describe the final Accounts for the year ended on 31 st March 2019? The following balances were extracted from the books of Prasad on 31 st March 2019.				(13)	Level 1	Remembering
	Details	Rs.	Details	Rs.			
	Capital	50,000	Creditors	5,000			
	Drawings	4,000	Bad debts	1100			
	General Expenses	5,000	Loan	15760			
	Buildings	22,000	Sales	130720			
	Machinery	18,680	Purchases	94000			
	Stock	32,400	Motor Car	4000			
	Power	4,480	Reserve Fund (Cr.)	1800			
	Taxes & Insurance	2630	Commission (Cr.)	2640			
	Wages	14400	Car Expenses	3600			
	Debtors	12560	Bills Payable	6700			
	Bank Overdraft	6600	Cash	160			
	Charity	210					
	Stock on 31 st March 2019 was valued at Rs.47,000.						
14.	(i)	Compare profit and loss account and balance sheet using an illustration.			(7)	Level 2	Understanding
	(ii)	Compare between Financial, Cost and Management Accounting.			(6)	Level 2	Understanding
15.	Journalize the following transactions:					Level 3	Applying
	DATE	PARTICULARS	RS.				
	MAY						
	2021						
	1	Purchased goods for cash	10,000				
	2	Purchased stationery for cash	500				
	3	Purchased furniture for cash	3,000				
	4	Sold goods for cash	8,000				
	5	Sold goods to Jane for cash	3,000				
	6	Sold goods to James	2,000				
	7	Paid rent to Krishnan, the landlord	800				
	8	Paid salary	8000				
	9	Paid Lokesh, the manager his salary	3000				
	10	Paid freight on goods purchased	300				
	11	Paid freight on machine purchased	400				
	12	Paid wages	500				

	13	Paid wages to erect a machine	100				
	14	Received Rs.800 from kamal					
	15	Received Rs.600 from kamal as interest					
	16	Received Rs.7000 from kamal as loan at 5% interest.					
16.	Mrs. Rajkumar & Bros. started their business on 1 st april 2021 with Rs.50,000 as their capital. Following were the transactions for one month:				Level 1	Remembering	
	DATE APRIL 2021	PARTICULARS	RS.	(13)			
	1	Paid into bank	20,000				
	2	Purchased furniture from modern furniture Ltd., on credit	3,000				
	5	Purchased goods from mohan	8,800				
	6	Sold goods on credit to sivakumar	3,500				
	8	Paid to mohan furniture Ltd., cash	2,000				
	15	Paid wages in cash	200				
	16	Issued cheque to mohan	7,000				
	20	Received from sivakumar	1,500				
	21	Paid into bank	1,500				
	23	Cash sales	3,500				
	25	Cash purchases	1,800				
	27	Goods withdrawn for personal use	500				
	28	Cash withdrawn for personal use	750				
	29	Paid for stationery	100				
	30	Paid salaries by cheque	1,000				
	Give journal entries and prepare ledger accounts and trail balance as on 30-4-2021.						
17.	The following balances were extracted from the ledger of Ramakrishna Engineering Works on 31 st March 2021. You are required to prepare a trail balance as on that date in proper form.			(13)	Level 2	Understanding	
	Particulars	Rs.	Particulars		Rs.		
	Drawings	6,000	Salaries		9,500		
	Capital	24,000	Sales Returns		1,000		
	Sundry Creditors	43,000	Purchase Returns		1,100		
	Bills payable	4,000	Travelling expenses		4,600		
	Sundry debtors	50,000	Commission paid		100		
	Bills receivable	5,200	Trading expenses		2,500		
	Loan from Karthik	10,000	Discount Earned		4,000		
	Furniture & Fixtures	4,500	Rent		2,000		
	Opening Stock	47,000	Bank Overdraft		6,000		
	Cash in hand	900	Purchases		70,800		
	Cash at Bank	12,500					

	Tax	3,500				
	Sales	1,28,000				

PART - C

S.NO	QUESTIONS	BT LEVEL	COMPETENCE																																													
1.	What is Trading, Profit and Loss Account and Balance sheet? Discuss its importance and limitations, Draw specimen of balance sheet.	Level 4	Analysing																																													
2.	<p>Analyse from the following trail balance of Ravi, prepare trading, profit and loss account for the year ended Dec 31st 2019 and balancesheet as on that date:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Debit (Rs.)</th> <th>Credit (Rs.)</th> </tr> </thead> <tbody> <tr><td>Capital</td><td></td><td>40,000</td></tr> <tr><td>Sales</td><td></td><td>25,000</td></tr> <tr><td>Purchases</td><td>15,000</td><td></td></tr> <tr><td>Salaries</td><td>2,000</td><td></td></tr> <tr><td>Rent</td><td>1,500</td><td></td></tr> <tr><td>Insurance</td><td>300</td><td></td></tr> <tr><td>Drawings</td><td>5,000</td><td></td></tr> <tr><td>Machinery</td><td>28,000</td><td></td></tr> <tr><td>Bank Balance</td><td>4,500</td><td></td></tr> <tr><td>Cash</td><td>2,000</td><td></td></tr> <tr><td>Stock 1-1-2016</td><td>5,200</td><td></td></tr> <tr><td>Debtors</td><td>2,500</td><td></td></tr> <tr><td>Creditors</td><td></td><td>1,000</td></tr> <tr><td>TOTAL</td><td>66,000</td><td>66,000</td></tr> </tbody> </table> <p>Adjustments Required:</p> <ul style="list-style-type: none"> ➤ Stock on 31-12-2019 Rs.4,900 ➤ Salaries Unpaid Rs.300 ➤ Rent paid in advance Rs.200 <p>Insurance prepaid Rs.90</p>	Particulars	Debit (Rs.)	Credit (Rs.)	Capital		40,000	Sales		25,000	Purchases	15,000		Salaries	2,000		Rent	1,500		Insurance	300		Drawings	5,000		Machinery	28,000		Bank Balance	4,500		Cash	2,000		Stock 1-1-2016	5,200		Debtors	2,500		Creditors		1,000	TOTAL	66,000	66,000	Level 4	Analysing
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Debtors	2,500																																															
Creditors		1,000																																														
TOTAL	66,000	66,000																																														
3.	<p>Solve the problem from the following particulars of Mrs.S Prepare a trading, profit and loss account and balancesheet for the year ending 31st March 2019.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Debit (Rs.)</th> <th>Credit (Rs.)</th> </tr> </thead> <tbody> <tr><td>Capital</td><td></td><td>750000</td></tr> <tr><td>Cash</td><td>40000</td><td></td></tr> <tr><td>Buildings</td><td>400000</td><td></td></tr> <tr><td>Salary</td><td>110000</td><td></td></tr> </tbody> </table>	Particulars	Debit (Rs.)	Credit (Rs.)	Capital		750000	Cash	40000		Buildings	400000		Salary	110000		Level 4	Analysing																														
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Rent & Taxes	21000	
Opening Stock	120000	
Machinery	120000	
Drawings	40000	
Purchases	500000	
Sales		750000
Carriage inwards	5000	
Fuel, Gas	37000	
Sundry Debtors	250000	
Sundry Creditors		120000
Bills Receivables	53000	
Dividend Received		28000
Loan		60000
Bad debts	2000	
Advertisement	16000	
Reserves		6000
TOTAL	1714000	1714000

Adjustments:

- Closing Stock Rs.140,000
- Write off Rs.10,000 for Depreciation
- Salaries outstanding is Rs.10,000
- Rs.1,000 of advertisement relates to the next accounting year transfer Rs.4,000 to reserves.

4. Prepare Journal from the following transactions and post them into ledger.

Date (March 2019)	Details	RS.
1	Ali commenced business with cash	10,000
2	Paid into Bank	8,000
3	Bought goods for cash	500
4	Bought furniture for office	400
5	Drew from bank cash for office use	1,000
6	Goods sold to Khan	600
7	Bought goods from Ali	400
8	Paid trade expenses	100
9	Paid to Ali on account	400
10	Received cash from Khan	600
11	Paid Rent	200
12	Cash sales	12,000

5. The Trail Balance of M/S R.S. Corporation as on 31st December 2010 was as under:

Particulars	Debit (Amount)	Credit (Amount)
Rajeev's Capital Account		80,000
Suresh's Capital Account		1,00,000
Stock as on 1.1.2010:		
Rawmaterials	2,500	

Level 4

Analysing

Level 6

Evaluating

Finished goods	6,500	
Purchases	64,500	
Sales		1,19,000
Sales Returns	2,000	
Wages	16,000	
Manufacturing Expenses	12,000	
Salaries	8,000	
Insurance	1,500	
Postage	100	
Advertisement	1,000	
Bad debts	300	
Bills Payable		12,000
Discount		500
Land & Building	90,000	
Plant and Machinery	70,000	
Furniture	1,000	
Sundry Debtors	25,400	
Sundry Creditors		42,000
Drawings:		
Rajeev	1,800	
Suresh	1,400	
Cash in hand	500	
Cash at Bank	49,000	
Total	3,53,500	3,53,500

Rajeev & Suresh share profits and losses equally.

Prepare Trading and Profit & loss Account for the year ended 31st December 2010 and also the Balance Sheet as on 31.12.2010 after taking into consideration following adjustments:

- Stock on 31st December 1997: Raw materials 4,000; finished goods Rs.12,000
- Provide Depreciation @ 5% on Land & Building, @ 10% on Furniture, @ 5% on Plant and Machinery.
- Outstanding salaries Rs.1,500; wages Rs 2,100
- Insurance is paid for 15 months up to March 2011
- Write off bad debts of Rs.400
- Reserve for doubtful debts at 5% of Debtors.
- Goods withdrawn by Rajeev for personal use Rs.2,000

UNIT – II – COMPANY ACCOUNTS**SYLLABUS:**

An introduction to Company Final Accounts -Maintenance of Books of Account-Statutory Books- Profit or Loss Prior to incorporation- Alteration of share capital- Preferential allotment, Employees stock option- Buyback of securities.

PART- A

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1.	What is a company?	Level 1	Remembering
2.	Differentiate Profit and loss account and Profit and loss appropriation account.	Level 2	Understanding
3.	How would you show your understanding of Buy back of shares?	Level 3	Applying
4.	List any two methods of alteration of share capital.	Level 1	Remembering
5.	Can you assess the value or importance of Shares?	Level 2	Understanding
6.	Interpret the need for capital reduction.	Level 3	Applying
7.	Define Company. What are its characteristics?	Level 1	Remembering
8.	How would you explain forfeiture of shares?	Level 2	Understanding
9.	Give an imaginary profit and loss appropriation account of a limited company.	Level 3	Applying
10.	What is post incorporation profit?	Level 1	Remembering
11.	What do you meant by Dividend?	Level 2	Understanding
12.	What is Employee stock option Scheme?	Level 3	Applying
13.	What are the methods of valuation of shares of a company?	Level 1	Remembering
14.	How company final accounts are prepared?	Level 2	Understanding
15.	List the advantages of ESOP.	Level 3	Applying
16.	Can you state any two preconditions for preferential allotment?	Level 1	Remembering
17.	What are Statutory Books?	Level 2	Understanding
18.	Compare between the capital reduction scheme and a reorganization scheme for reconstruction.	Level 3	Applying
19.	Analyze the rules in provision on buy back of shares.	Level 1	Remembering
20.	Define Share.	Level 2	Understanding
21.	What ratios normally used to apportion pre and post incorporation incomes and expenses?	Level 3	Applying
22.	How do you treat the loss prior to incorporation in the books of accounts?	Level 1	Remembering
23.	What are the different stages of the final account of the company?	Level 2	Understanding

24.	Mention the kinds of companies?	Level 3	Applying
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PART- B				
S.NO	QUESTIONS		BT LEVEL	COMPETENCE
1.	Define company and explain its features of a company in detail?	(13)	Level 1	Remembering
2.	A limited company issued 10, 000 equity shares of Rs. 10 each payable as under Rs.2 on application, Rs.5 on allotment, Rs. 3 on final call. The public applied for 8000 shares which were allotted. All the money due on shares was received except the final call on 100 shares. These shares were forfeited and re-issued at Rs. 8 per share. Show the Journal Entries in the books of the company.	(13)	Level 2	Understanding
3.	A limited company issued 10000 equity shares of Rs.10 each, payable Re.1 on application, Rs.2 on allotment, Rs.3 on first call, Rs.4 on final call. All shares were subscribed and amounts duly received. How would you show your entries in the books of the company?	(13)	Level 3	Applying
4.	Mona Earth Mover Ltd. Decided to issue 12,000 shares of Rs.100 each payable at Rs.30 on application, Rs.40 on allotment, Rs.20 on first call and balance on second and final call. Applications are received for 13,000 shares. The directors decided to reject application of 1000 shares and their application money being refunded in full. The allotment money is duly received on all the shares, and all sums due on calls are received except on 100 shares. Analyze the transactions in the books of Mona earth mover ltd.	(13)	Level 1	Remembering
5.	Discuss the employee's stock option scheme and its advantages and disadvantages ESOP.	(13)	Level 2	Understanding
6.	Eastern company Ltd. Issued 40,000 shares of Rs.10 each to the public for the subscription of its share capital, payable at Rs.4 on application, Rs.3 on allotment and the balance on 1 st and final call. Applications were received for 40,000 shares. The company made the allotment to the applicants in full. All the amounts due on Allotment and first and final call were duly received. Conclude the journal entries in the books of the company.	(13)	Level 3	Applying
7.	What is Buyback of securities? Explain the objectives, benefits and drawbacks of buyback of securities.	(13)	Level 1	Remembering
8.	What is a preferential allotment? Describe the guidelines for preferential allotment.	(13)	Level 2	Understanding
9.	Explain the Employee Stock Ownership Plan in detail.	(13)	Level 3	Applying
10.	Analyze the factors to be considered for accounting treatment of Profit Prior to incorporation? Explain the different methods of computing Profit or Loss Prior to incorporation?	(13)	Level 1	Remembering

11.	How would you explain the legal procedure for alteration in share capital in detail.	(13)	Level 2	Understanding																																																																												
12.	Cronic Limited issued 10,000 equity shares of Rs.10 each payable at Rs.2.50 on application, Rs.3 on allotment, Rs.2 on first call, and the balance of Rs.2.50 on the final call. All the shares were fully subscribed and paid except of a shareholder having 100 shares who could not pay for the final call. Show the journal entries to record these transactions.	(13)	Level 3	Applying																																																																												
13.	Rohit and company issued 30,000 shares of Rs.10 each payable Rs.3 on application, Rs.3 on allotment and Rs.2 on first call after two months. All money due on allotment was received, but when the first call was made a shareholder having 400 shares did not pay the first call and a shareholder of 300 shares paid the money for the second and final call of Rs.2 which had not been made as yet. List the necessary journal entries in the books of the company.	(13)	Level 1	Remembering																																																																												
14.	<p>A Co. Ltd was incorporated on may 1, 2016 to take over the business of X & Co. as a going concern from January 2016. The profit and loss account for the year ending December 31, 2016 was as follows.</p> <p>Profit and Loss account of A CO ltd for the year ended 31.12.2016</p> <table border="1"> <thead> <tr> <th>Dr</th> <th></th> <th>Cr</th> <th></th> </tr> <tr> <th>Details</th> <th>Rs.</th> <th>Details</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>To rent & taxes</td> <td>12,000</td> <td>By trading account</td> <td>1,55,000</td> </tr> <tr> <td>To insurance</td> <td>3,000</td> <td></td> <td></td> </tr> <tr> <td>To EB</td> <td>2,400</td> <td></td> <td></td> </tr> <tr> <td>To salaries</td> <td>36,000</td> <td></td> <td></td> </tr> <tr> <td>To directors fee</td> <td>3,000</td> <td></td> <td></td> </tr> <tr> <td>To auditors fee</td> <td>1,600</td> <td></td> <td></td> </tr> <tr> <td>To commission</td> <td>6,000</td> <td></td> <td></td> </tr> <tr> <td>To advertisement</td> <td>4,000</td> <td></td> <td></td> </tr> <tr> <td>To discount</td> <td>3,500</td> <td></td> <td></td> </tr> <tr> <td>To office expenses</td> <td>7,500</td> <td></td> <td></td> </tr> <tr> <td>To carriage</td> <td>3,000</td> <td></td> <td></td> </tr> <tr> <td>To bank charges</td> <td>1,500</td> <td></td> <td></td> </tr> <tr> <td>To Preliminary expenses</td> <td>6,500</td> <td></td> <td></td> </tr> <tr> <td>To bad debts</td> <td>2,000</td> <td></td> <td></td> </tr> <tr> <td>To interest on loan</td> <td>3,000</td> <td></td> <td></td> </tr> <tr> <td>To net profit</td> <td>60,000</td> <td></td> <td></td> </tr> <tr> <td>TOTAL</td> <td>1,55,000</td> <td>TOTAL</td> <td>1,55,000</td> </tr> </tbody> </table> <p>The total turnover for the year ending December 31,2016 was Rs 5,00,000 divided into Rs 1,50,000 for the period upto May 1, 2016 and Rs 3,50,000 for the remaining period. Prepare the profit and loss account and ascertain the 'Profit prior to' and after incorporation.</p>	Dr		Cr		Details	Rs.	Details	Rs.	To rent & taxes	12,000	By trading account	1,55,000	To insurance	3,000			To EB	2,400			To salaries	36,000			To directors fee	3,000			To auditors fee	1,600			To commission	6,000			To advertisement	4,000			To discount	3,500			To office expenses	7,500			To carriage	3,000			To bank charges	1,500			To Preliminary expenses	6,500			To bad debts	2,000			To interest on loan	3,000			To net profit	60,000			TOTAL	1,55,000	TOTAL	1,55,000	(13)	Level 2	Understanding
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15.	How would you explain maintenance of books of account as per company act?	(13)	Level 3	Applying
16.	Explain SEBI Guidelines for issue of capital.	(13)	Level 1	Remembering
17.	Differentiate between partnership and company in detail.	(13)	Level 2	Understanding

PART – C

S.NO	QUESTIONS	BT LEVEL	COMPETENCE																																																						
1.	A Ltd. Offered 100,000 equity shares of nominal value of Rs.10 each for public subscription at Rs.12. The amount payable on the shares were shares were on application Rs.450; on allotment (including premium)Rs.4.50; on first and final call Rs.3.00 The actual subscription was only for 90,000 shares. All money payable by shareholders was received from sudhakar who had taken 1,000 shares but failed to pay the final call. His shares were forfeited and reissued to Prabhakar at Rs.6 each. Show journal entries in the books of the company in respect of the above (including cash transactions).	Level 5	Evaluating																																																						
2.	<p>Mohan company Ltd., was incorporated on 30th June 2005 to take over the business of K.Mohan as from 1st January 2015. The financial accounts for the year ended 31st December 2015.</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>Rs.</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Sales:</td> <td></td> <td></td> </tr> <tr> <td>January to June</td> <td>120,000</td> <td></td> </tr> <tr> <td>July to December</td> <td>180,000</td> <td></td> </tr> <tr> <td style="text-align: right;"><i>Total</i></td> <td></td> <td>3,00,000</td> </tr> <tr> <td>Less: Purchases:</td> <td></td> <td></td> </tr> <tr> <td>January to June</td> <td>75,000</td> <td></td> </tr> <tr> <td>July to December</td> <td>120,000</td> <td></td> </tr> <tr> <td style="text-align: right;"><i>Total</i></td> <td></td> <td>195,000</td> </tr> <tr> <td>Gross Profit</td> <td></td> <td>1,05,000</td> </tr> <tr> <td>Less: Salaries</td> <td>15,000</td> <td></td> </tr> <tr> <td> Selling Expenses</td> <td>3,000</td> <td></td> </tr> <tr> <td> Depreciation</td> <td>1500</td> <td></td> </tr> <tr> <td> Directors Remuneration</td> <td>750</td> <td></td> </tr> <tr> <td> Debenture Interest</td> <td>90</td> <td></td> </tr> <tr> <td>Administration Expenses (Rent, Rates etc.)</td> <td>4,500</td> <td></td> </tr> <tr> <td></td> <td></td> <td>24,840</td> </tr> <tr> <td>Balance</td> <td></td> <td>80,160</td> </tr> </tbody> </table> <p>You are request to prepare a statement apportioning the balance of profit between the periods prior to after incorporation and show the profit and loss appropriation account for the year ended 31st December 2015.</p>	Particulars	Rs.	Rs.	Sales:			January to June	120,000		July to December	180,000		<i>Total</i>		3,00,000	Less: Purchases:			January to June	75,000		July to December	120,000		<i>Total</i>		195,000	Gross Profit		1,05,000	Less: Salaries	15,000		Selling Expenses	3,000		Depreciation	1500		Directors Remuneration	750		Debenture Interest	90		Administration Expenses (Rent, Rates etc.)	4,500				24,840	Balance		80,160	Level 4	Analysing
Particulars	Rs.	Rs.																																																							
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3.	Poornima Ltd., incorporated in April 1, 2008 with a capital of	Level 4	Analysing																																																						

Rs.50,000 in equity shares of Rs.10 each took over the running business on poornima as from January 1, 2008. The purchase price Rs.20,000 was settled on July 1, 2008, together with interest at 10% per annum by fully paid shares for Rs.17,500 and the balance by cheque

To company's trail balance as on December 31, 2008 was a below:

Particulars	Rs.	Rs.
Cash and Bank balances (Cash Rs. 180)	4,860	
Share capital		22,500
Land and Buildings	8,000	
Fixtures	750	
Cycles	1000	
Salaries	1200	
Purchases	48500	
Sales		45000
Debtors and Creditors	4500	3000
Rent from tenants		600
Rent, Rates and taxes	300	
Building upkeep	150	
Director's fees	720	
Sundry charges	120	
Interest to vendor	1000	
Total	71,100	71,100

Prepare the final accounts for the year ending December 31, 2008, considering the following additional details:

- Stock at end Rs.14,000
- Bad debts Rs.200 (Including Rs.50 on debtors taken over from vendor) to be written off
- Sales above include sales upto april 1, 2008, Rs.7,500
- Provide for doubtful debts Rs.250
- Depreciate Buildings 5% and cycles 20%.

4. A Ltd. was registered with an authorized capital of Rs.6,00,000 in equity shares of Rs.10 each. The following is its trail balance on 31st March 2008.

Particulars	Debit Rs.	Credit Rs.
Goodwill	25,000	
Cash	750	
Bank	39,900	
Purchases	1,85,000	
Preliminary expenses	5,000	
Share capital		400,000
12% Debentures		300,000
P & L A/C (Cr.)		26,250
Calls in arrears	7,500	
Premises	300,000	

Level 4

Analysing

Plant and machineries	330,000	
Interim Dividend	39,250	
Sales		415,000
Stock (1.4.2007)	75,000	
Furniture & Fixtures	7,200	
Sundry Debtors	87,000	
Wages	84,865	
General Expenses	6,835	
Freight and carriage	13,115	
Salaries	14,500	
Directors Fees	5,725	
Bad debts	2,110	
Debentures interest paid	18,000	
Bills payable		37,000
Sundry creditors		40,000
General reserve		25,000
Provision for bad debts		3,500
Total	1,2,46,750	1,2,46,750

Prepare Profit and Loss account, Profit and Loss appropriation A/C and balance sheet in proper form after making the following adjustments:

Depreciate Plant and Machinery by 15% Write off Rs.500 from preliminary expenses.

Provide for 6 months interest on debentures

Leave bad and doubtful debts provision at 5% on sundry debtors.

Provide for income tax at 50%

Stock on 31-3-2008 was Rs.95,000.

5. Sony Ltd. issued 50,000 equity shares of Rs.100 each. The amount were payable as follows;
- On application Rs.30
 - On Allotment Rs.50
 - On First Call Rs.10
 - On Final Call Rs.10
- The public applied for all the shares which were allotted. All moneys were received. Pass necessary journal entries and prepare balance sheet.

Level 5

Evaluating

UNIT – III – ANALYSIS OF FINANCIAL STATEMENTS

SYLLABUS:

Analysis of financial statements: Comparative Statements-Common size statements-Trend analysis – Financial ratio analysis, Uses and limitations of Ratio analysis-cash flow (as per Accounting Standard 3) and funds flow statement analysis.

PART- A

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1.	Define financial statements.	Level 1	Remembering
2.	List out various sources and applications of cash.	Level 2	Understanding
3.	How would you show your understanding of Comparative Statements?	Level 3	Applying
4.	List any two objectives of financial statements.	Level 1	Remembering
5.	Can you assess the value or importance of funds flow statement?	Level 2	Understanding
6.	Differentiate between cash flow and funds flow statements.	Level 3	Applying
7.	What does cash flow analysis mean?	Level 1	Remembering
8.	How would you explain funds flow statement?	Level 2	Understanding
9.	How the various activities are classified (as per AS-3 revised) while preparing cash flow statement?	Level 3	Applying
10.	What is meant by Trend analysis?	Level 1	Remembering
11.	Can you identify the uses of cash flow statement?	Level 2	Understanding
12.	What is the difference between current ratio and liquid ratio?	Level 3	Applying
13.	Give the standard ratios for current ratio and quick ratio.	Level 1	Remembering
14.	Outline the scope of Common size statements.	Level 2	Understanding
15.	How would you show your understanding of Cash inflow and cash outflow?	Level 3	Applying
16.	Calculate Debtors Turnover Ratio from the following: Total Sales Rs.2,00,000 Cash Sales Rs.40,000 Opening debtors Rs.35,000 Closing Debtors Rs.45,000	Level 1	Remembering
17.	Define Current ratio.	Level 2	Understanding
18.	What is the meaning of 'Funds from operations'?	Level 3	Applying
19.	What are the benefits of schedule of changes in working capital?	Level 1	Remembering
20.	Can you list the types of working capital.	Level 2	Understanding
21.	What are Comparative Financial Statements?	Level 3	Applying
22.	Distinguish between Vertical and Horizontal Analysis of financial data.	Level 1	Remembering
23.	State the meaning of the terms: (i) Cash Equivalent (ii) Cash Flows.	Level 2	Understanding

24.	Prepare a format of cash flow from operating activities.	Level 3	Applying
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PART- B						
S.N O	QUESTIONS	BT LEV EL	COMPETENC E			
1.	What are the essential attributes of financial statements – importance and limitations of it?	(7)	Level 1	Remembering		
	Current Ratio is 3:5. Working capital is Rs.9,00,000. How would you show current assets and current liabilities.	(6)				
2.	Explain the various tools and techniques of financial statements.	(7)	Level 2	Understanding		
	Shine Limited has a current ratio 4.5:1 and quick ratio 3:1; if the stock is 36,000. Show current liabilities and current assets.	(6)				
3.	Define Ratio Analysis; List the advantages and Disadvantages of it.	(13)	Level 3	Applying		
4.	Discuss briefly the various classification of Ratios.	(13)	Level 1	Remembering		
5.	Show the balance sheet of the concern from the following details:	(13)	Level 2	Understanding		
	Stock Velocity				6	
	Capital turnover ratio				2	
	Fixed assets turnover ratio				4	
	Gross profit ratio				20%	
	Debt collection period				2 Months	
	Creditors collection period				73 Days	
The gross profit was Rs.60,000 closing stock was Rs.5,000 in excess of the opening stock.						
6.	Evaluate the specimen of Comparative Statements-Common size statements.	(13)	Level 3	Applying		
7.	i)Prepare common size statement from the following.	(13)	Level 1	Remembering		
	Particulars				2017	2018
	Sales				30,00,000	35,00,000
	Cost of production				15,50,000	17,00,000
	Administrative expense				5,00,000	6,50,000
	Selling expense				2,00,000	2,30,000
	Interest				3,50,000	3,70,000
	Divided received (income)				2,50,000	2,00,000
	ii)Prepare a comparative statement from the following.					
	Particulars				2017	2018
Sales	25,00,000	30,00,000				

	Cost of goods sold	14,00,000	15,50,000				
	Operation expense :						
	Administrative expenses	3,50,000	2,90,000				
	Selling expenses	2,70,000	3,60,000				
	Non operation expenses						
	Interest	1,60,000	1,40,000				
	Income tax	1,70,000	3,30,000				
8.	What are sources of funds? Distinguish between funds flow statement and cash flow statement.			(13)	Level 2	Understanding	
9.	Identify the preparation of schedule of changes in working capital and Adjusted Profit and Loss Account. Explain terms operating activities, inventory activities, financing activities.			(13)	Level 3	Applying	
10.	The summarized balance sheet of KLtd as on 31.3.2015 nad 31.5.2016 are as follows.				Level 1	Remembering	
	Liabilities	2017 (Rs.)	2018 (Rs.)	Assets	2017 (Rs.)	2018(Rs.)	
	Share Capital	10,000	15,000	Fixed Assets	10,000	20,000	
	P/L A/C	4,000	6,000	Current Assets	13000	14,500	
	Provision for tax	2,000	3,000				
	Proposed Dividend	1,000	1,500				
	Sundry Creditor	4,000	6,000				
	Outstanding Expenses	2,000	3,000				
	Total	23,000	34500	Total	23,000	34500	
	Tax paid during the year 2018, Rs.2,500 Dividend paid during 2018 Rs.1000 Prepare a statement of sources and applications of funds, showing changes in the working capital.			(13)			
11.	How would you describe funds flow statement from the following figures.				Level 2	Understanding	
	Liabilities	31-12-2001	31-12-2002	Assets	31-12-2001	31-12-2002	
	Creditors	319000	365000	Cash	130000	40000	
	Provision for dividend	-----	200000	Debtors	100000	160000	
	Long term loan	-----	535000	Stock	235000	255000	
	Equity capital	3600000	4000000	Land and Buildings	540000	1020000	
	Surplus	100000	129000	Plant and Machinery	2804000	3544000	
				Furniture	210000	210000	
							(13)

	Total	4019000	5229000	Total	4019000	5229000			
12.	Show the funds from operation and cash from operation from the following balancesheets of subha Ltd.,						(13)	Level 3	Applying
	Particulars		2018 (RS.)		2019 (RS.)				
	Equity share capital		400000		400000				
	Reserves and surplus		282000		346000				
	Depreciation Reserve		20000		28000				
	Secured loans		40000		60000				
	Creditors for goods		129000		106000				
	Outstanding expenses		17000		3000				
	Total		888000		943000				
	Plant and Equipment (Cost)		570000		600000				
	Inventories		196000		226000				
	Debtors		79000		57000				
	Cash at Bank		43000		60000				
	Total		888000		943000				
13.	Analyze and prepare the cash flow statement. A summary of the financial position of Mr.X for the year 2018 and 2019 is given as follows:						(13)	Level 1	Remembering
	Liabilities	2018 (Rs.)	2019 (Rs.)	Assets	2018 (Rs.)	2019 (Rs.)			
	Capital	70,000	83,000	Cash	7,000	13,000			
	Creditors	10,000	12,000	Debtors	20,000	18,000			
				Stock	40,000	52,000			
				Fixed Assets	13,000	12,000			
	Total	80,000	95,000	Total	80,000	95,000			
	There were no drawings or sale of fixed assets during the year.								
14.	How would you describe funds flow statement for the year ended 31 st December 2001 from the following particular?						(13)	Level 2	Understanding
	Particulars					Rs.			
	Net profit before writing off goodwill					21500			
	Depreciation written off on fixed assets					3500			
	Goodwill written off from profits					5000			
	Dividends paid					7000			
	Shares issued for cash					10000			
	Purchase of machinery					20000			
	Increase in working capital					8000			
15.	From the following balance sheet of CASIO Ltd. you are required to prepare funds flow statement.						(13)	Level 3	Applying
	Liabilities	2005 Rs.	2006 Rs.	Assets	2005 Rs.	2006 Rs.			
	Share Capital	5,00,000	7,00,000	Land	80,000	1,20,000			
		0		Buildings					

	Profit and loss account	1,00,000	1,60,000	Plant & Machinery	5,00,000	8,00,000			
	General Reserve	50,000	70,000	Stock	1,00,000	75,000			
	Sundry Creditors	1,53,000	1,90,000	Sundry Debtors	1,50,000	1,60,000			
	B/P	40,000	50,000	Cash	20,000	20,000			
	Outstanding Expenses	7,000	5,000						
	Total	8,50,000	11,75,000	Total	8,50,000	11,75,000			
16.	Describe the role of ratio analysis as a tool and technique of financial statement analysis.						(13)	Level 1	Remembering
17.	How would you analysis the financial statement of a public company?						(13)	Level 2	Understanding

PART - C

S.NO	QUESTIONS	BT LEVEL	COMPETENCE																																													
1.	Prepare common size statement from the following: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>Particulars</th> <th>2017 Rs.</th> <th>2018 RS.</th> </tr> </thead> <tbody> <tr> <td>Assets</td> <td></td> <td></td> </tr> <tr> <td>Cash</td> <td>2,70,000</td> <td>2,90,000</td> </tr> <tr> <td>Debtors</td> <td>1,70,000</td> <td>1,50,000</td> </tr> <tr> <td>Stock</td> <td>1,20,000</td> <td>1,00,000</td> </tr> <tr> <td>Outstanding Income</td> <td>30,000</td> <td>20,000</td> </tr> <tr> <td>Prepaid Expenses</td> <td>10,000</td> <td>30,000</td> </tr> <tr> <td>Fixed assets</td> <td>11,00,000</td> <td>14,10,000</td> </tr> <tr> <td>Total</td> <td>17,00,000</td> <td>20,00,000</td> </tr> <tr> <td>Liabilities</td> <td></td> <td></td> </tr> <tr> <td>Creditors</td> <td>1,40,000</td> <td>1,50,000</td> </tr> <tr> <td>Bills payable</td> <td>60,000</td> <td>40,000</td> </tr> <tr> <td>Long term loan</td> <td>5,00,000</td> <td>6,10,000</td> </tr> <tr> <td>Capital</td> <td>10,00,000</td> <td>12,00,000</td> </tr> <tr> <td>Total</td> <td>17,00,000</td> <td>20,00,000</td> </tr> </tbody> </table>	Particulars	2017 Rs.	2018 RS.	Assets			Cash	2,70,000	2,90,000	Debtors	1,70,000	1,50,000	Stock	1,20,000	1,00,000	Outstanding Income	30,000	20,000	Prepaid Expenses	10,000	30,000	Fixed assets	11,00,000	14,10,000	Total	17,00,000	20,00,000	Liabilities			Creditors	1,40,000	1,50,000	Bills payable	60,000	40,000	Long term loan	5,00,000	6,10,000	Capital	10,00,000	12,00,000	Total	17,00,000	20,00,000	Level 4	Analysing
Particulars	2017 Rs.	2018 RS.																																														
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Capital	10,00,000	12,00,000																																														
Total	17,00,000	20,00,000																																														
2.	From the balance sheets of ABC Ltd., make out: <ol style="list-style-type: none"> i. A statement of changes in the Working Capital 	Level 5	Evaluating																																													

ii. A funds flow statement

Liabilities	31.3.18	31.3.19	Assets	31.3.18	31.3.19
Eq.Share Capital	3,00,000	4,00,000	Goodwill	1,15,000	90,000
8% Redeemable pref. S. Capital	1,50,000	1,00,000	Land and Building	2,00,000	1,70,000
General Reserve	40,000	70,000	Plant	80,000	2,00,000
P/L A/C	30,000	48,000	Debtors	1,60,000	2,00,000
Proposed Dividends	42,000	50,000	Stock	77,000	1,09,000
Creditors	55,000	83,000	B/R	20,000	30,000
B/P	20,000	16,000	Cash in hand	15,000	10,000
Provision for Taxation	40,000	50,000	Cash at bank	10,000	8,000
Total	6,77,000	8,17,000	Total	6,77,000	8,17,000

Following is the additional information available:

- Depreciation of Rs.10,000 and Rs.20,000 have been charged on plant, land and buildings respectively in the year 2019.
- An interim dividend of Rs.20,000 has been paid in the year 2019.
- Income Tax of Rs.35,000 has been paid in the year 2019.

3. Following are the balance sheets of Krishna Ltd. Jaipur for the year 2018 and 2019.

Liabilities	31.3.18	31.3.19	Assets	31.3.18	31.3.19
Eq.Share Capital	3,00,000	3,50,000	Fixed Assets	5,10,000	6,20,000
15% Pref. S.Capital	2,00,000	1,00,000	Investments	30,000	80,000
15% Debentures	1,00,000	2,00,000	Current Assets	2,00,000	3,05,000
R & S	1,10,000	2,70,000	Cash-in hand	40,000	70,000
Current	80,000	1,60,000	Discount	10,000	5,000

Level 4

Analysing

	Liabilities			on Issue of Debenture				
	Total	7,90,000	10,80,000	Total	7,90,000	10,80,000		
			0		0	0		
	<p>Additional Information:</p> <ul style="list-style-type: none"> ➤ A machine with a book value of Rs.40,000 was sold for Rs.25,000. ➤ 15% preference shares were redeemed at a premium of 15% on 31-3-09 for Rs.1,00,000 ➤ Dividend on equity shares @ 15% was paid for the year 2008 during 2009. ➤ Depreciation charged during 2009 was Rs.60,000 <p>You are asked to prepare a cash flow as per AS-3 (Revised)</p>							
4.	Describe the procedure for preparation of cash flow statement in details.						Level 4	Analysing
5.	<p>Capital turnover – 2 Fixed Assets turnover ratio – 4 Gross Profit – Rs.1,20,000 Gross profit Ratio – 20% Stock Velocity – 6 Reserves – Rs. 20,000 Debtors Velocity – 2 Months Creditors – 73 days. Closing stock was Rs.5000 in excess of opening stock from the above information find out</p> <p>1. Fixed Assets 2. Debtors 3. Stock 4. Creditors.</p>						Level 4	Analysing

UNIT IV COST ACCOUNTING & BUDGETARY CONTROL**SYLLABUS:**

Cost Accounts - Classification of manufacturing costs - Accounting for manufacturing costs. Cost Accounting Systems -Marginal costing including Exploring new markets and Make or Buy decisions – Budget - Budgetary Control - Standard cost system & Variance Analysis.

PART- A

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1.	Define Cost Accounting.	Level 1	Remembering
2.	Compare Cost Accounting and Financial Accounting.	Level 2	Understanding
3.	State the assumptions of 'Break Even Analysis'.	Level 3	Applying
4.	Classify the elements of cost.	Level 1	Remembering
5.	Discuss the concept of Break Even Point.	Level 2	Understanding
6.	Interpret the features of marginal costing.	Level 3	Applying
7.	Write the objectives of Cost Accounting.	Level 1	Remembering
8.	Summarize the functions of cost accounting.	Level 2	Understanding
9.	Identify the essentials of good budgetary control system.	Level 3	Applying
10.	Classify the types of budget.	Level 1	Remembering
11.	What conclusions can you draw from Margin of Safety and CVP analysis?	Level 2	Understanding
12.	Justify the usage of cost sheet.	Level 3	Applying
13.	What is Make or Buy decisions?	Level 1	Remembering
14.	What is meant by FIFO and LIFO?	Level 2	Understanding
15.	State the need of Marginal costing.	Level 3	Applying
16.	Conclude your understanding on budgetary control.	Level 1	Remembering
17.	What is meant by allocation and absorption of overheads?	Level 2	Understanding
18.	Differentiate between budgetary control and standard costing.	Level 3	Applying
19.	Define Contribution.	Level 1	Remembering
20.	What do you mean by Budget?	Level 2	Understanding
21.	What is fixed cost?	Level 3	Applying
22.	What is Zero based budgeting?	Level 1	Remembering
23.	What is variable cost?	Level 2	Understanding
24.	Mention the two types of decision making in CVP Analysis.	Level 3	Applying

PART- B

S.NO	QUESTIONS	BT LEVEL	COMPETENCE														
1.	Define Cost Accounting. Write in detail about objectives, functions of Cost Accounting and how is it useful to the business?	Level 2	Understanding														
2.	<p>Explain a company working at 50% capacity manufactures 10,000 units of a product. At 50% capacity the product cost is Rs. 180 & sale price Rs.200, the breakup of the cost is as below.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Cost per unit</th> </tr> </thead> <tbody> <tr> <td>Material</td> <td>100</td> </tr> <tr> <td>Wages</td> <td>30</td> </tr> <tr> <td>Factory overheads</td> <td>30(40%fixed)</td> </tr> <tr> <td>Administration overheads</td> <td>20(50% fixed)</td> </tr> </tbody> </table> <p>At 60% working raw material cost goes up by 2% & sales price falls by 2% at 80% working the raw material cost increases by 5% and sale price decreases by same percent. i.e. 5%. Prepare a statement to show profitability at 60% and 80% Capacity.</p>	Particulars	Cost per unit	Material	100	Wages	30	Factory overheads	30(40%fixed)	Administration overheads	20(50% fixed)	Level 1	Remembering				
Particulars	Cost per unit																
Material	100																
Wages	30																
Factory overheads	30(40%fixed)																
Administration overheads	20(50% fixed)																
3.	How do you show your understanding on the concept of Classification of manufacturing costs & Accounting for manufacturing costs in detail?	Level 2	Understanding														
4.	<p>From the following data calculate break event point.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Rs.</th> </tr> </thead> <tbody> <tr> <td>Selling price per unit</td> <td>20</td> </tr> <tr> <td>Direct material cost per unit</td> <td>8</td> </tr> <tr> <td>Direct labour cost per unit</td> <td>2</td> </tr> <tr> <td>Direct expenses per unit</td> <td>2</td> </tr> <tr> <td>Overheads per unit</td> <td>3</td> </tr> <tr> <td>Fixed overheads (total)</td> <td>20,000</td> </tr> </tbody> </table> <p>If sales are 20% above the break-even point, determine the net profit. Analyze how Break-even chart is constructed?</p>	Particulars	Rs.	Selling price per unit	20	Direct material cost per unit	8	Direct labour cost per unit	2	Direct expenses per unit	2	Overheads per unit	3	Fixed overheads (total)	20,000	Level 1	Remembering
Particulars	Rs.																
Selling price per unit	20																
Direct material cost per unit	8																
Direct labour cost per unit	2																
Direct expenses per unit	2																
Overheads per unit	3																
Fixed overheads (total)	20,000																
5.	Describe the various methods of cost accounting.	Level 3	Applying														
6.	Justify your comments on the Statement. "Cost Accounting is an essential tool of Management".	Level 2	Understanding														
7.	<p>How would you explain a flexible budget for the half year and forecast process at 60%, 75%, 90% & 100% respectively.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Rs. In lakhs</th> <th></th> </tr> </thead> <tbody> <tr> <td>Fixed expenses</td> <td></td> <td></td> </tr> <tr> <td>Wages</td> <td>16.8</td> <td></td> </tr> </tbody> </table>	Particulars	Rs. In lakhs		Fixed expenses			Wages	16.8		Level 1	Remembering					
Particulars	Rs. In lakhs																
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	<table border="1"> <tr><td>Rent, taxes, etc.</td><td>11.2</td><td></td></tr> <tr><td>Depreciation</td><td>14.0</td><td></td></tr> <tr><td>Administrative expenses</td><td>17.8</td><td>59.8</td></tr> <tr><td>Semi variable expenses(@ 50% capacity)</td><td></td><td></td></tr> <tr><td>Repair & maintenance</td><td>5.0</td><td></td></tr> <tr><td>Indirect labour</td><td>19.8</td><td></td></tr> <tr><td>Sales department salaries</td><td>5.8</td><td></td></tr> <tr><td>Sundry administration expenses</td><td>5.2</td><td>35.8</td></tr> <tr><td>Variable expenses (@ 50% capacity)</td><td></td><td></td></tr> <tr><td>Material</td><td>48.0</td><td></td></tr> <tr><td>Labour</td><td>51.2</td><td></td></tr> <tr><td>Other expenses</td><td>7.6</td><td>106.8</td></tr> </table> <p>Assume that fixed expenses remain constant at all levels, semi variable expenses remain constant between 40% and 65%, 10% increase between 65% and 85% and 20% increase between 85% and 100%. Sales at various levels are as under 60% capacity Rs.200 lakhs, 75% capacity Rs. 240 lakhs. 90% capacity Rs.300 lakhs. 100% capacity Rs.340 lakhs.</p>	Rent, taxes, etc.	11.2		Depreciation	14.0		Administrative expenses	17.8	59.8	Semi variable expenses(@ 50% capacity)			Repair & maintenance	5.0		Indirect labour	19.8		Sales department salaries	5.8		Sundry administration expenses	5.2	35.8	Variable expenses (@ 50% capacity)			Material	48.0		Labour	51.2		Other expenses	7.6	106.8		
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8.	<p>Will you interpret the materials mix variance from the following?</p> <table border="1"> <thead> <tr> <th>Material</th> <th>Actual</th> <th>Standard</th> </tr> </thead> <tbody> <tr> <td>A</td> <td>90 units at Rs.12 each</td> <td>100 units at Rs.12 each</td> </tr> <tr> <td>B</td> <td>60 units at Rs.15 each</td> <td>50 units at Rs. 16 each.</td> </tr> </tbody> </table>	Material	Actual	Standard	A	90 units at Rs.12 each	100 units at Rs.12 each	B	60 units at Rs.15 each	50 units at Rs. 16 each.	Level 2	Understanding																											
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9.	<p>Following are the sales turnover and profit during 2 years :</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Sales (Rs)</th> <th>Profit (Rs)</th> </tr> </thead> <tbody> <tr> <td>2000</td> <td>1,40,000</td> <td>15,000</td> </tr> <tr> <td>2001</td> <td>1,60,000</td> <td>20,000</td> </tr> </tbody> </table> <p>You are required to calculate</p> <ol style="list-style-type: none"> 1. p/v ratio 25% (4 marks) 2. Sales required to earn a profit of Rs.40,000 (4 marks) 3. Profit when sales are Rs.1,20,000 (5 marks) 	Year	Sales (Rs)	Profit (Rs)	2000	1,40,000	15,000	2001	1,60,000	20,000	Level 3	Applying																											
Year	Sales (Rs)	Profit (Rs)																																					
2000	1,40,000	15,000																																					
2001	1,60,000	20,000																																					

10.	Explain in detail the advantages and disadvantages of budgetary control system.	Level 4	Analyzing																										
11.	<p>Can you prepare a flexible budget for overheads on the basis of the following data and ascertain overheads rates at 50%, 60% and 70% capacity.</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>At 60% capacity</th> </tr> </thead> <tbody> <tr> <td>Variable overheads:</td> <td></td> </tr> <tr> <td>Indirect labour</td> <td>6,000</td> </tr> <tr> <td>Indirect material</td> <td>18,000</td> </tr> <tr> <td>Semi variable overheads:</td> <td></td> </tr> <tr> <td>Electricity (40% fixed 60%variable)</td> <td>30,000</td> </tr> <tr> <td>Repairs (80% fixed 20% variable)</td> <td>3,000</td> </tr> <tr> <td>Fixed overheads:</td> <td></td> </tr> <tr> <td>Depreciation</td> <td>16,500</td> </tr> <tr> <td>Insurance</td> <td>4,500</td> </tr> <tr> <td>Salaries</td> <td>15,000</td> </tr> <tr> <td>Total overheads</td> <td>93,000</td> </tr> <tr> <td>Estimated direct labour hours</td> <td>1,86,000</td> </tr> </tbody> </table>	Particulars	At 60% capacity	Variable overheads:		Indirect labour	6,000	Indirect material	18,000	Semi variable overheads:		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	Level 1	Remembering
Particulars	At 60% capacity																												
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12.	Summarize the essentials of budgetary control system. Explain types of budget in detail.	Level 2	Understanding																										
13.	Can you assess the importance of standard costing and list the limitations of it.	Level 4	Analyzing																										
14.	Explain the techniques of CVP Analysis. List the advantages and disadvantages of marginal costing.	Level 1	Remembering																										
15.	Discuss the characteristics of Budgetary Control. List the objectives of Budgetary Control.	Level 3	Applying																										
16.	Summarize the Steps involved in budgeting. Explain essentials of Budgetary Control system.	Level 2	Understanding																										
17.	Explain Advantages and Disadvantages of cost accounting.	Level 4	Analyzing																										

PART - C

S.NO	QUESTIONS	BT LEVEL	COMPETENCE																														
1.	Compare the differences between Standard Costing and Budgetary Control.	Level 5	Evaluating																														
2.	<p>From the following budget data, forecast the cash position at the end of April, May and June 2003.</p> <p align="center">Income and Expenditure forecast</p> <table border="1"> <thead> <tr> <th>Month</th> <th>Sales(Rs.)</th> <th>Purchases (Rs.)</th> <th>Wages (Rs.)</th> <th>Miscellaneous (Rs.)</th> </tr> </thead> <tbody> <tr> <td>February</td> <td>1,20,000</td> <td>84,000</td> <td>10,000</td> <td>7,000</td> </tr> <tr> <td>March</td> <td>1,30,000</td> <td>1,00,000</td> <td>12,000</td> <td>8,000</td> </tr> <tr> <td>April</td> <td>80,000</td> <td>1,04,000</td> <td>8,000</td> <td>6,000</td> </tr> <tr> <td>May</td> <td>1,16,000</td> <td>1,06,000</td> <td>10,000</td> <td>12,000</td> </tr> <tr> <td>June</td> <td>88,000</td> <td>80,000</td> <td>8,000</td> <td>6,000</td> </tr> </tbody> </table> <p>Additional Information :</p> <ol style="list-style-type: none"> Sales: 20% realized in the month of sales, discount allowed 2%. Balance realized equally in two subsequent months. Purchases: These are paid in the month following the month of supply. Wages: 25% paid in arrears following month. Rent: Rs. 1,000 per month paid quarterly in advance due in April. Income –Tax: First installment of advance tax Rs. 25,000 due on or before 15th June. Income from investments: Rs. 5,000 received quarterly, in April, July Cash in hand: Rs.5, 000 on 1st April, 2003. 	Month	Sales(Rs.)	Purchases (Rs.)	Wages (Rs.)	Miscellaneous (Rs.)	February	1,20,000	84,000	10,000	7,000	March	1,30,000	1,00,000	12,000	8,000	April	80,000	1,04,000	8,000	6,000	May	1,16,000	1,06,000	10,000	12,000	June	88,000	80,000	8,000	6,000	Level 5	Evaluating
Month	Sales(Rs.)	Purchases (Rs.)	Wages (Rs.)	Miscellaneous (Rs.)																													
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3.	<p>Calculate :</p> <ol style="list-style-type: none"> The amount of fixed expenses. Break even sales The number of units to break-even. The number of units to earn a profit of Rs. 40,000. You are provided with the following information : <ol style="list-style-type: none"> The selling price per unit can be assumed at Rs. 100. The company sold in two successive periods 7,000 units and 9,000 units and has incurred a loss of Rs. 10,000 and earned Rs. 10,000 as profit respectively 	Level 6	Creating																														
4.	<p>The turnover and profits of the two years were as follows</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Sales</th> <th>Profit/loss</th> </tr> </thead> <tbody> <tr> <td>I year</td> <td>8000 units</td> <td>15000 loss</td> </tr> <tr> <td>II Year</td> <td>10000 units</td> <td>15000 profit</td> </tr> </tbody> </table> <p>The selling price per unit is Rs 120</p> <p>Calculate</p> <ul style="list-style-type: none"> P/V Ratio, 	Particulars	Sales	Profit/loss	I year	8000 units	15000 loss	II Year	10000 units	15000 profit	Level 6	Creating																					
Particulars	Sales	Profit/loss																															
I year	8000 units	15000 loss																															
II Year	10000 units	15000 profit																															

	<ul style="list-style-type: none"> • FC, • Sales at BEP, • The number of units to be sold to earn a profit of Rs 45,000, • profit when sales are 30,000 units 		
5.	Explain classification of variances in detail.	Level 5	Evaluating

UNIT V ACCOUNTING IN COMPUTERISED ENVIRONMENT AND TRENDS

SYLLABUS:

Terms used in Computerized Accounting-Significance of Computerized Accounting System-Codification and Grouping of Accounts, Maintaining the hierarchy of ledgers- Prepackaged Accounting software.

PART- A

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1.	Define the term 'Codification'.	Level 1	Remembering
2.	Compare computerized accounting system and manual accounting system?	Level 2	Understanding
3.	Identify the usage of ERP.	Level 3	Applying
4.	What do you think about computerized accounting?	Level 1	Remembering
5.	Can you assess the benefits of computerized accounting system?	Level 2	Understanding
6.	Mention the purpose of accounting codes.	Level 3	Applying
7.	List the uses of Accounting Software.	Level 1	Remembering
8.	Mention application of computers in accounting.	Level 2	Understanding
9.	Mention features of computerized accounting system.	Level 3	Applying
10.	What do you think about company master file?	Level 1	Remembering
11.	List the disadvantages of ERP.	Level 2	Understanding
12.	Mention the hierarchy of ledgers.	Level 3	Applying
13.	List the types of accounting software.	Level 1	Remembering
14.	Explain the Customized Accounting Software.	Level 2	Understanding
15.	What are spreadsheets?	Level 3	Applying
16.	What is ledger?	Level 1	Remembering
17.	What is pre-packaged accounting software?	Level 2	Understanding
18.	Distinguish between data validation and data processing.	Level 3	Applying

19.	What is meant by data entry & accounting software package?	Level 1	Remembering
20.	List the disadvantages of computerized accounting system.	Level 2	Understanding
21.	Define the term 'Grouping of Accounts'.	Level 3	Applying
22.	What is ERP?	Level 1	Remembering
23.	List the disadvantages of Customized Accounting Package.	Level 2	Understanding
24.	Mention factors to be considered while selecting pre-packaged accounting software.	Level 3	Applying

PART- B			
S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1.	What is accounting software? Why should we use it? List the different types of accounting software.	Level 2	Understanding
2.	Explain the factors to be considered for selecting Pre-packaged accounting software.	Level 5	Evaluating
3.	Explain the advantages and disadvantages of Pre-packaged accounting software.	Level 2	Understanding
4.	Identify the procedure involved in the creation, alteration and deletion of ledger accounts in tally.	Level 1	Remembering
5.	Analyze the significance of Computerized Accounting System.	Level 1	Remembering
6.	What inference can you make from the limitations of Computerized Accounting system?	Level 2	Understanding
7.	Can you assess the importance of accounting system in business?	Level 1	Remembering
8.	Compile your views about the security problems in any organization using computers.	Level 3	Applying
9.	How will you evaluate the various facilities to be provided by the user friendly accounting software package? Explain the entry screen available in accounting software package.	Level 1	Remembering
10.	List the merits and demerits of maintaining computerized accounts in spread sheet.	Level 3	Applying
11.	Explain the statement "Do you agree that a computerized environment of accounts will ensure flawless accounting system"?	Level 5	Evaluating
12.	How would you show your understanding about codification and grouping of accounts in a computerized environment and manual accounts?	Level 2	Understanding
13.	What inference can you make from the advantages and disadvantages of computer accounting?	Level 1	Remembering
14.	How would you explain the importance of prepackaged Accounting Software?	Level 2	Understanding
15.	What are the general problems faced in computerized accounting system?	Level 1	Remembering

16.	Explain the various Packaged Accounting Software and explain its applicability in business.	Level 4	Analyzing
17.	Analyze the role of computers in accounting. What inference can you make from the introduction of computers in accounting?	Level 2	Understanding

PART - C

S.NO	QUESTIONS	BT LEVEL	COMPETENCE
1.	What is a Pre-packaged Accounting Software? What are the factors to be considered while selecting prepackaged software?	Level 4	Analyzing
2.	How will you design a coding system? What are the factors to be considered for coding? Illustrate with an example.	Level 4	Analyzing
3.	Justify the statement "An ERP is an integrated software package that manages the business process across the entire enterprise".	Level 4	Analyzing
4.	What is customized accounting software? Explain its applicability in business.	Level 4	Analyzing
5.	What is accounting software? List the usage of accounting software.	Level 4	Analyzing