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MMS/D-13

FINANCIAL ACCOUNTING

Paper–CP-106

Time allowed : 3 hours] *[Maximum marks : 70*

Part–A

*Note : Attempt any **eight** questions, each question carries five marks.*

1. What is the importance of financial accountancy ?
2. Discuss the features of Accounting Software-Tally.
3. Explain the need for IFRS.
4. What are the advantages of Zero Base Budgeting ?
5. Explain the uses of break-even analysis.
6. Describe the objectives of Responsibility Centres.
7. What is the purpose of financial statement analysis ?
8. Discuss the limitation of Human Resource Accounting.
9. Explain the nature of cost accounting.
10. What are the advantages of preparing a Cost Sheet ?

Part–B

*Note : Attempt any **three**-questions. Each question carries ten marks.*

11. In a factory, actual fixed overheads were different from the standard fixed overheads because the actual output, actual time

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consumed, actual rate per hour and per unit of out put differed. Compute the variances taking assumed figures.

12. Differentiate between Funds Flow Statement and Cash Flow Statement. What is the importance of Cash Flow Statement ?

13. For the production of 10,000 electrical automatic irons the following are the budgeted expenses :

	Per unit Rs.
Direct Material	60
Direct Labour	30
Variable Overheads	25
Fixed Overheads (Rs. 1,50,000)	15
Variable expenses (direct)	5
Selling expenses (10% fixed)	15
Administration expenses (Rs. 50,000 rigid for all levels of production)	5
Distribution expenses (20% fixed)	5
Total cost of sale per unit	160

Prepare a budget for production of 6,000 ; 7,000 ; 8,000 irons.

14. A company budgets for a production of 1,50,000 units. The variable cost per unit is Rs. 14 and the fixed cost is Rs. 2 per

unit. The company fixes its selling price to fetch a profit of 15% on cost.

(a) What is the break-even point ?

(b) What is the profit-volume ratio ?

(c) If it reduces its selling price by 5% how does the revised selling price effect the break-even point and the profit-volume ratio ?

(d) If a profit increase of 10% is desired more than the budget, what should be the sale at the reduced prices ?

15. Dandy Company's equity share are being traded in the market at Rs. 54 per share with a Price-Earning ratio of 9. The company's dividend payout is 72%. It has 1,00,000 equity share of Rs. 10 each and no preference shares. Book value per shares is Rs. 42.

Calculate

(a) Earning per share

(b) Return on Equity

(c) Net Income

(d) Dividend Yield.

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