

Roll No. ....

Total Pages : 2

CMMS/D-18

**13482**

FINANCIAL ACCOUNTING

Paper : CP-106

Time : Three Hours]

[Maximum Marks : 70

**Note :** Attempt *eight* questions of 5 marks each from Part-A and *three* questions of 10 marks each from Part-B.

**PART-A**

Short Answer Questions:

1. Define GAAP
2. Operating Income
3. Need for liquidity analysis
4. What do you mean by prime cost?
5. Usefulness of P/V ratio for decision making.
6. Explain the concept of Zero Base Budgeting.
7. Need for inflation accounting.
8. Usefulness of Tally.

9. Method of calculating material price variance.
10. Describe various sources of cash from operating activity.

### **PART-B**

11. Describe the need and usefulness of financial accounting system for various types of organisations.
  12. The following information relates to a company which has a working capital of Rs. 3,20,000.

|                      |           |
|----------------------|-----------|
| Current Ratio :      | 1.8       |
| Liquidity Ratio :    | 1.2       |
| Inventory Turnover : | 12 times  |
| (on cost of sales)   |           |
| GP/Sales Ratio :     | 25%       |
| Credit Period :      | One Month |

Calculate current assets and current liabilities with break up.
  13. Describe the managerial application of marginal costing.
  14. Describe responsibility centers and explain the process of implementation of responsibility accounting.
  15. Describe the current cost accounting method of inflation accounting.
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