

Accounting & Finance mgt.

9/6/19
Statt

Con/3327-07.

(FURTHER REVISED COURSE)

BB-1682

(4 Hours)

[Total Marks : 100

N.B. : (1) Question No. 1 is **compulsory**. Attempt any **four** questions from the **rest**.

(2) Assume **suitable** data wherever **necessary**.

(3) Marks awarded to **each** question, is indicated on the **right**.

M.E.C.O) Sem IV PDC Cont mgt Accounting & Finance mgt. 10

Q. 1. a) A company has the following capital structure

Debt. :	Rs. 6 lakhs	4%
Preference shares :	Rs. 2 lakhs	8%
Equity shares	Rs. 2 lakhs	11%
Retained Earnings	Rs. 4 lakhs	10%

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Calculate weighted average cost of capital.

b) Explain double entry system of accounting.

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Q. 2. a) What are the rules of debit and credit with respect to Nominal, Real and Personal accounts.

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b) Explain Ratios and highlight its importance in Finance management.

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Q. 3. Journalise the following and post them into ledger.

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- a) Sudhir commence his business with cash Rs. 40,000.
- b) Purchased machinery worth Rs.10,000 for cash.
- c) Received Rs. 5000 on account from shri. Wadekar
- d) Received Rs.300 on account of commission.
- e) Paid office rent Rs. 350/-
- f) Cash sales Rs.4000
- g) Received on Account from Ramesh Rs.690.
- h) Deposited into Bank Rs. 2500.

Q. 4. From the following figures extracted from the books of shri.Gopal you are requested to prepare a trading and profit and loss account for the year ended

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31.3.1997 and a balance sheet as on that date after making the necessary adjustments

Capital	228,800	Stock 1 st April 1996	38500
Govinds drawings	13,200	Wages	35200
Plant and machinery	99,000	Sundry creditors	44000
Free hold property	66,000	Postage & telegrams	1540
Purchases	1,10,000	Insurance	1760
Returns outwards	1100	Gas and Fuels	2970
Salaries	13,200	Bad debts	660
Office Expenses	2750	Office Rent	2860
Office furniture	5500	Freight	9900
Discount a/c Debtor	1320	Loose tools	2200
Sundry debtors	29,260	Factory lighting	1100
Loan to Krishna at 10% p.a. balance on 1.4.1996	44000	Provision for doubtful debts	880
Cash at Bank	29,260	Interest on loan to Krishna	1100
Bills payable	5500	Cash on hand	2640
Sales	231,440		

VT April 07, 201

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Cont. mgt. Accounting² & Finance mgt.
Adjustments.

- 1) Stock on 31.3.1997 was valued at Rs. 72,600. 9/1/97
- 2) A new Machine was installed during the year costing Rs. 15400 but it was not recorded in the books as no payment was made for it. Wages Rs. 1100 paid for its erection have been debited to wages account.
- 3) Depreciate plant and machinery by 33 1/3rd %; Furniture by 10% and free hold property by 5%.
- 4) Loose tools were valued at Rs. 1760 on 31.3.1997.
- 5) Write off Rs.660. as bad Debts on sundry debtors,
- 6) Maintain a provision of 5% on sundry debtors for doubtful debts.

Q. 5 a) find out Debtor turnover Ratio and average Collection period from the following Information. 10

	1994	1995
Annual credit sales	5,00,000	6,00,000
Debtors in the beginning	80,000	90,000
Debtors at the end	1,00,000	1,10,000
No. of days for the year	360days	360days

b) Discuss the Advantages and disadvantages of Debt financing. 10

Q. 6 a) you are appointed Project Manager of a Project costing Rs.1200 Cr. identify the sources of long term and short term finance and explain the features of each. 10

b) Explain the following in context of Balance sheet. 10
i) Assets ii) Liabilities.

Q. 7 a) Give a brief account of the various Ratios need to analyze the performance of A company. 10

b) Distinguish between 10
i) Income and cash flow statement
ii) Financial and Management accounting.