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B.B.A. 2nd Semester Examination – 2013

FINANCIAL MANAGEMENT

Code : 302202

Full Marks – 60

Time : 3 Hours

Instructions :

- (i) There are seven questions in this paper. All questions carry equal marks.
- (ii) Attempt Five questions in all.
- (iii) Question Nos. 1 & 2 are compulsory.

1. State under what heading (Personal, Real or Nominal A/c.) would you classify and answer any six of the following accounts :

- (a) Salary Prepaid Account
- (b) Salary Outstanding Account
- (c) Rent Account

- (d) Bank Account
- (e) Insurance Unexpired
- (f) Proprietor's Account
- (g) Bad Debts Account
- (h) Furniture Account
- (i) Goodwill Account
- (j) Patents Account

2. Answer any three of the following :

- (a) What is Trading A/c? What purpose do they serve?
- (b) Explain the meaning of the term "Journal" and what its significance.
- (c) What is Double Entry System?
- (d) What do you mean by Closing Stock?
- (e) What is Petty Cash Book?

3. What is "Funds Flow Statement"? Examine its managerial uses.

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4. Define 'Cost-Volume-Profit analysis' and also explain how C.V.P. analysis can be used for managerial planning.
5. Define 'Margin of Safety (M/S)' and what its importance.
6. From the following Trial Balance and Additional Information, you are required to prepare Trading A/c, P/L A/c and Balance Sheet.:

Trial Balance of A Co.  
As on 31st December, 2011

Particulars	Amount (Rs.) Dr.	Amount (Rs.) Cr.
Capital L	-	20,000
Sundry debtors A	5,400	-
Drawings L	1,800	-
Machinery A	7,000	-
Sundry creditors L	-	2,800
Wages	10,000	-
Purchase	19,000	-
Opening stock	4,000	-
Cash at Bank A	3,000	-
Carriage	3,000	-
Salaries	4,000	-
Rent and Taxes	900	-
Sales	-	35,300
	58,100	58,100

*Additional Informations :*

- (a) Closing stock Rs. 1,200
- (b) Outstanding rent and taxes Rs. 100
- (c) Charge depreciation on machinery @ 10%
- (d) Wages prepaid Rs. 400.
7. Standard quantity of material 20 kg, Standard price of material at Rs. 5 per kg, Actual quantity of material 22 kg, Actual price of material at Rs. 4 per kg.

Calculate :

- (a) Material cost variance
- (b) Material price variance
- (c) Material usage variance.