

[Time: 3.00 Hrs]

[Marks: 75]

Please check whether you have got the right question paper.

Instructions :

1. Q1 (20 marks) & Q8 (15 marks) are compulsory.
2. Attempt Any Four (40 marks) out of Q2, Q3, Q4, Q5, Q6 and Q7.
3. Students have to attempt any four out of the remaining six questions and within each question; students have to attempt any two out of three sub – questions. Each sub – question would carry 05 Marks.
4. Figures to the right indicate full marks.
5. Draw neat diagrams wherever necessary.

Q.1 Read and attempt the following:**A. Answer Multiple Choice Question:**

10 Marks

- i. Capital expenditure is primarily associated with:
 - a) Regular operational costs
 - b) Long-term asset acquisition
 - c) Payment of dividends
 - d) Employee salaries
- ii. A deferred revenue expenditure would typically include:
 - a) Expenses for future benefits
 - b) Current month's rent payment
 - c) Daily office supplies
 - d) Utilities paid in advance
- iii. Depreciation is:
 - a) The increase in value of an asset over time
 - b) A method of allocating the cost of a tangible asset over its useful life
 - c) The total market value of an asset
 - d) A one-time expense incurred during acquisition
- iv. Inventory control involves:
 - a) Keeping track of cash flow
 - b) Managing the value of tangible long-term assets
 - c) Ensuring that inventory levels are maintained to meet demand
 - d) Reporting expenses to stakeholders
- v. The FIFO method of inventory valuation assumes that:
 - a) The last items purchased are the first sold
 - b) The first items purchased are the first sold
 - c) All inventory is valued at market price
 - d) Inventory is not depreciated over time
- vi. A fund flow statement is used to:
 - a) Show the cash received and paid out
 - b) Report changes in cash position
 - c) Analyse the sources and uses of funds over a specific period

- d) Provide a snapshot of the company's assets
- vii. The cash flow statement includes:
 - a) Only operating activities
 - b) Operating, investing, and financing activities
 - c) Only financing activities
 - d) Operating and revenue activities
- viii. The main purpose of cost accounting is to:
 - a) Provide a detailed analysis of the company's financial position
 - b) Control and reduce costs for better profitability
 - c) Prepare tax returns efficiently
 - d) Assist in creating the Balance Sheet
- ix. An ethical issue in accounting could arise when:
 - a) A company invests in stocks
 - b) Financial information is manipulated to mislead stakeholders
 - c) Accurate records are maintained
 - d) Compliance with regulations is followed
- x. Professional ethics in accounting primarily focuses on:
 - a) Emphasizing profits over integrity
 - b) Ensuring transparency, honesty, and fairness in financial reporting
 - c) Reducing operational costs
 - d) Increasing market share

B. State whether true or false

10 Marks

- i. Cash flow statements provide information about the cash inflows and outflows from operating, investing, and financing activities.
- ii. Cost accounting focuses solely on financial statements.
- iii. Ethical issues in accounting are only concerned with financial fraud.
- iv. Deferred revenue expenditure refers to costs that are expected to benefit more than one accounting period.
- v. Inventory control is a process that aims to ensure that the company has the exact amount of inventory to meet customer demand.
- vi. The accrual basis of accounting recognizes revenues and expenses when cash is received or paid.
- vii. A single-step income statement is one of the simplest forms of financial reporting.
- viii. In a balance sheet, assets must always equal liabilities plus equity.
- ix. Consistency is important in accounting as it helps maintain comparability over different accounting periods.
- x. The main purpose of cost accounting is to determine the exact profit of a business at the end of the accounting period.

Q.2. Attempt any one of the following:

10 Marks

- a. 1. Pass the necessary journal entries in the books of Mr. Michael Yadav,

- (i) On 1 April 2024, Cash Purchases ₹30,000.
- (ii) On 9 April 2024, Sold goods to Rama at the list price of ₹40,000 at a trade discount of 10%.
- (iii) On 11 April 2024, Vinod sold goods to us worth ₹50,000 at a 10% trade discount.
- (iv) On 18 April 2024, Returned goods to Vinod at the list price of ₹5,000.
- (v) On 22 April 2024, Paid cash to Vinod ₹24,000 in full settlement.
- (vi) On 25 April 2024, Rama returned goods of list price ₹10,000.
- (vii) On 28 April 2024, Rama paid ₹20,000 in full settlement of his account.

b. What is an account and what are the different type of Account?

Q.3 Answer any One the following:

- a. From the following information relating ABC Co Ltd item, value closing stock on 31-12-2024 applying weightage Average Method
Stocks (kgs) on 1-12-2024 5,000 units @ Rs. 14
Purchases (kgs)
i On 18-12-2024 4,200 units @ Rs. 13
ii On 23-12-2024 3,800 units @ Rs. 9
Sales (kgs)
i On 7-12-2024 1200 units
ii On 16-12-2024 2600 units
iii On 19-12-2024 1800 units
iv On 30-12-2024 3400 units
- b. What are the advantages and disadvantages of Weightage Average method?

Q.4 Answer any One the following:

- a. From the following information. Calculate the Cash from financing activities:

<i>Particulars</i>	<i>31.12.2006</i>	<i>31.12.2007</i>
	<i>(Rs)</i>	<i>(Rs)</i>
Equity share capital	4,00,000	5,00,000
10% debentures	1,50,000	1,00,000
Securities premium	40,000	50,000

Additional Information: Interest paid on debentures ₹10000.

- b. What are the three main sections of a Cash Flow Statement?

Q.5 Attempt any One of the following:

- a. Difference between Management Accounting and Financial Accounting?
- b. Explain any 5 Accounting Principle.

Q.6 Attempt any One of the following:

- a. Calculate Economic Order Quantity (EOQ) from the following:
Annual consumption 6,000 units

Cost of ordering	Rs. 60
Carrying costs	Rs. 2

b. From the following particulars, calculate the Economic Order Quantity (EOQ):
Annual requirements 1,600 units Cost of materials per units Rs. 40 Cost of placing
and receiving one order: Rs. 50 Annual carrying cost for inventory value 10%.

Q.7 Attempt any One of the following:

- Explain the limitation of financial statement.
- Write a note on Fund Flow Statement

10

Marks

Q.8 Write short notes on Any three the following:

- Revenue expenditure
- Capital expenditure
- Accounting Cycle
- Vertical Format of Balance Sheet
- Real account

15

Marks
