

PGDM (IB), 2021-23
Subject: Financial Accounting
Subject Code: IB-103
Trimester – I, End-Term Examination: October 2021

Time allowed: 1 Hour 30 Minutes
Max Marks: 30

Roll No: _____

Note: Attempt any three questions from section A and section B is compulsory

Section A (15 Marks) CILOs 1, CILOs 2

Q. No 1: a) From the following data calculate (a) P/V Ratio (b) Variable Cost and (c) Profit
Sales 80000 Fixed expenses 15000 Breakeven point 50000

b) Define EOQ model. **(CILOs 2)**

Q. No 2: Describes the different roles of financial accounting 'play' in a professional service organisation. **(CILOs1)**

Q No 3. a) From the following particulars, calculate the Economic Order Quantity (EOQ) and Total Inventory Cost:

Annual requirements 6000 units Cost of materials per units Rs. 20

Cost of placing and receiving one order: Rs.150 Annual carrying cost for
inventory value 5%

b) Describe accounting cost concept and Dual Concept. **(CILOs1)**

Q. No 4. Prepare stores ledger account from the following particulars under FIFO and LIFO method: **(CILOs 3)**

Jan. 1 Opening balance: 500 units @ Rs. 4
Jan. 5 Received from vendor 200 units @ Rs. 4.25
Jan. 12 Received from vendor 150 units @ Rs. 4.10
Jan. 20 Received from vendor 300 units @ Rs. 4.50
Jan. 25 Received from vendor 400 units @ Rs. 4

Issues of material were as follows:

Jan. 4 -- 200 units;
Jan. 10 -- 400 units;
Jan. 15 – 100 units;
Jan. 19 – 100 units;
Jan. 30 – 250 units

Write out the store ledger Account in respect of the materials for the month of January.

Section B (15 Marks) CILOs 3, CILOs 4

Question 1:

The summarized balance sheet of Bhadresh Ltd. as on 31.12.15 and 31.12.2016 are as follows:

Liabilities	2015	2016	Assets	2015	2016
Share capital	4,50,000	4,50,000	Fixed asset	4,00,000	3,20,000
General Reserve	3,00,000	3,10,000	Investment	50,000	60,000
P & I a/c	56,000	68,000	Stock	2,40,000	2,10,000
Creditors	1,68,000	1,34,000	Debtor	2,10,000	4,55,000
Tax provision	75,000	10,000	Bank	1,49,000	1,97,000
Mortgage loan	-	2,70,000			
	10,49,000	12,42,000		10,49,000	12,42,000

Additional Details:

- Investment costing Rs. 8,000 were sold for Rs. 8,500
 - Tax provision made during the year was Rs. 9,000
 - During the year part of fixed assets costing Rs 10,000 was sold for Rs 12,000 and the profit was included in P & L A/c.
- You are required to prepare cash flow statement for 2016.

2. Complete the balance sheet and sales data (fill in the blanks) using the following financial data:

Debt/equity ratio = 0.80

Acid-test ratio = 1.1

Total assets turnover ratio = 2

Days' sales outstanding in

Accounts receivable = 30 days

Gross profit margin = 30 percent

Inventory turnover ratio = 6

Balance sheet

Equity capital 80,000 Plant and equipment

Retained earnings 50,000 Inventories

Short-term bank borrowings Accounts receivable

Cash

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Sales

Cost of goods sold