

QP CODE: D1BAN2503

(Pages: 3)

Reg. No :

Name :

FIRST SEMESTER FYUGP (Regular) EXAMINATION, NOVEMBER 2025

Discipline Specific Core (DSC) Courses - Major

BAN1CJ103 : Financial Accounting for Managers

(Credits: 4)

Time: 2 Hours

Maximum Marks: 70

Section A

Answer the following questions. Each carries 3 marks (Ceiling: 24 marks)

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|---|---------|
| 1. What is depreciation? | BL2 CO1 |
| 2. What are intangible assets? Give examples. | BL2 CO2 |
| 3. State the base taken for common size statement. | BL1 CO3 |
| 4. Define key factor. | BL1 CO4 |
| 5. Define accounting and state the main objectives of accounting. | BL1 CO1 |
| 6. "Accounting is both an art and a science". Justify this statement. | BL2 CO1 |
| 7. Describe the different methods of calculating depreciation. | BL2 CO2 |
| 8. What is debtors turnover ratio? | BL2 CO3 |
| 9. Differentiate between fixed cost and variable cost. | BL4 CO4 |
| 10. Write the formula for BEP in units? | BL2 CO4 |

Section B

Answer the following questions. Each carries 6 marks (Ceiling: 36 Marks)

- | | |
|---|---------|
| 11. Prakash Creations Ltd, has prepared the following budget estimates for the year 2024-2025.
<ul style="list-style-type: none">• Sales units: 15000• Fixed Expenses: Rs. 34000• Sales: Rs. 1,50,000• Variable Cost Rs. 6 per unit | BL3 CO4 |
|---|---------|

Find out P/V ratio and BEP.

(PTO)

<p>12. Explain the treatment of following items in cash flow statement:</p> <p>a) Purchase and Sale of fixed Assets</p> <p>b) Interest Received and Interest Paid</p> <p>c) Issue and Repayment of Share Capital</p>	BL2 CO2																														
<p>13. From the following information, interpret the result of operations of a manufacturing company, using trend ratios.</p> <p>INCOME STATEMENT</p> <table border="1" data-bbox="172 472 1123 801"> <thead> <tr> <th></th> <th>2021</th> <th>2022</th> <th>2023</th> <th>2024</th> </tr> </thead> <tbody> <tr> <td>Net Sales</td> <td>80</td> <td>70</td> <td>100</td> <td>120</td> </tr> <tr> <td>Less: Cost of Goods Sold</td> <td>60</td> <td>55</td> <td>72</td> <td>80</td> </tr> <tr> <td>Gross Profit</td> <td>20</td> <td>15</td> <td>28</td> <td>40</td> </tr> <tr> <td>Less: Operating Expenses</td> <td>10</td> <td>9</td> <td>12</td> <td>25</td> </tr> <tr> <td>Operating Net Profit</td> <td>10</td> <td>6</td> <td>16</td> <td>15</td> </tr> </tbody> </table>		2021	2022	2023	2024	Net Sales	80	70	100	120	Less: Cost of Goods Sold	60	55	72	80	Gross Profit	20	15	28	40	Less: Operating Expenses	10	9	12	25	Operating Net Profit	10	6	16	15	BL3 CO3
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<p>14. Philips Ltd, finds that while it costs Rs12.50 to make a component PS0055, the same is available in the market at Rs11.50, with an assurance of continued supply. The break down of the cost is:</p> <ul style="list-style-type: none"> • Materials: Rs. 5.50 each • Labour: Rs. 3.50 each • Other Variables: Re. 1.00 each • Fixed Cost: Rs. 2.50 each • Total: Rs. 12.50 each <p>a. Should you make or buy?</p> <p>b. What would be your decision, if the suppliers offered the component at Rs. 9.70 each?</p>	BL3 CO4																														
<p>15. Why is it necessary to follow accounting conventions?</p>	BL2 CO1																														
<p>16. From the following transactions find out the nature of account and also state which account should be debited and which account should be credited.</p> <p>a) Rent paid</p> <p>b) Furniture purchased for cash</p> <p>c) Paid to suresh.</p> <p>d) Machinery sold.</p>	BL3 CO1																														
<p>17. What is the Statement of Changes in Equity? Mention any two items that can increase and decrease equity.</p>	BL2 CO2																														
<p>18. Explain the importance of financial statement analysis for management.</p>	BL2 CO3																														

Section C

Answer any one question. Each carries 10 marks (1 x 10 = 10 Marks)

19.	Compare single entry system and double entry system, highlighting their features, merits and limitations.	BL4	CO1
20.	“Liquidity and Solvency ratios are vital indicators of financial health”. Discuss with examples.	BL2	CO3

CO : Course Outcome

BL : Bloom’s Taxonomy Levels (1 – Remember, 2 – Understand, 3 – Apply, 4 – Analyse, 5 – Evaluate, 6 – Create)