



- Notes :
1. All questions are compulsory.
 2. All questions carry equal marks.
 3. Due credit will be given to neatness and adequate dimensions
 4. Assume suitable data wherever necessary.
 5. Diagrams and equation should be given wherever necessary.

1. a) What is Accounting Cycle? How the accounting cycle works? 8
- b) Rutherford Inc. has a difference in the balance as per Cash Book and bank statement as on 31st March 2019. You are advised to prepare a Bank Reconciliation Statement as on that date with the following information: 8
- i) Balance as per Bank Statement as on 31st March 2019 is \$4,000. Balance as per Cash Book is \$1,400.
 - ii) Cheque of \$1,000 and \$500 issued as on 30th March 2019, but not yet cleared.
 - iii) An insurance premium paid by bank \$200. It is not yet recorded in Cash Book.
 - iv) An outgoing cheque of \$2,000 recorded twice in the Cash Book. It is properly recorded in the bank statement.
 - v) Payment of a cheque of \$400 recorded twice in PassBook.
 - vi) Dividends received \$500 recorded only in the bank statements and not Cash Book.
 - vii) Cheque of \$700 deposited on 29th March 2019. But, it is not yet collected.
 - viii) Bank charges of \$100 debited only in Bank PassBook.

OR

2. a) What is ledger in accounting? What are the primary general ledger accounts? 8
- b) What is Bank Reconciliation statement? Explain in with example. 8
3. a) What is the use of preparing a Trading Account? Explain in brief. 8
- b) Explain format/specimen of Profit and Loss Account. 8

OR

4. a) From the following ledger balances extracted from the books of Mr. Bharath, prepare P & L account as on March 31, 2019. 8

	\$
Gross Profit	65,000
Carriage on sales	3,000
Rent paid	2,000
Commission received	8,000
Interest on investment received	4,650
Insurance premium paid	2,500
Payment of salaries	4,000
Bad debts	3,500
Discount allowed	435
Rate and taxes	580
Travelling expenses	2,800
General expenses	800

- b) What is the Balance Sheet? Explain it with an example. **8**
- 5.** a) What is financial Intermediary? How it work? **8**
- b) What is financial regulation? Also state and explain aims of regulation. **8**
- OR**
- 6.** a) What is Credit Market? Explain its types. **8**
- b) What are the types of Asset classes of financial instruments? **8**
- 7.** a) Write a short note on Probability Index method (PI). **8**
- b) Explain in brief working of Capital Budgeting. **8**
- OR**
- 8.** a) Explain the following terms in Capital Budgeting Techniques. **8**
- i) Traditional Methods.
- ii) Discounted cash flow methods.
- b) Differentiate between ARR and IRR. **8**
- 9.** What is Ratio Analysis? Describe all 4 types of classification of Ratios. **16**
- OR**
- 10.** Write a short note on:
- i) Financial Ratio. **8**
- ii) Turnover Ratio. **8**
