

**2017**

Time : 3 hours

Full Marks: 70

Candidates are required to give their answers in their own words as far as practicable.

The figures in the margin indicate full marks.

Answers from all the Groups are directed.

**Group – A**

**(Compulsory)**

1. Point out whether the following statements are **True** or **False**:

1x15=15

- a) Capital is decreased by profits and increased by losses.
- b) Cost concept is applicable to fixed assets as well as current assets.
- c) Both cash and bank accounts are real accounts.
- d) A transaction which increases the capital is called income.
- e) Provision for depreciation account always shows a debit balance
- f) Profit is not factor to soles.
- g) Overheads and indirect expenses are different.
- h) Accounting is a science as well as an art.
- i) Ration analysis is a technique of planning and control.

- j) The term fund in a fund flow statement refers to working capital.
- k) Cash flow statement is summary of cash book.
- l) Methods of costing are different from techniques of costing.
- m) Assets are equal to equities.
- n) Capital is assets minus liabilities.
- o) Ratio analysis is one of the major tools of technical analysis.

### Group – B

Answer any **five** questions of the following: 4x5=20

- 2. What is budgetary control and how is this achieved?
- 3. Differentiate between fixed and flexible budget.
- 4. What is basic characteristic of Marginal Costing?
- 5. What is the purpose of accounting?
- 6. Explain in brief, behavior of fixed and variable overhead.
- 7. Write short notes on the following:
  - a) Capital
  - b) Drawings
  - c) Journals

### Group – C

Answer any **five** questions of the following: 7x5=35

- 8. What do you mean by Double Entry Systems? Explain with a suitable illustration.
- 9. What is meaning of depreciation? List out factors in the context of depreciation.

10. Explain types of ratio and their applicability.
11. Explain importance and objectives of funds flow statement.
12. Explain the advantages of Budgetary Control.
13. Write shorts note on the following:
  - a) Material Cost
  - b) Labor Cost
  - c) Overheads Cost
14. What is Marginal Costing? Explain its uses and limitations.

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