Date 14. 06-2015
Time : 10.00 to 1.00 p.m.  Max. Marks 100
Duration 3 hours

Instructions
1. From Part A, answer all questions Qs 1,2 and 3 (compulsory) – Q1 (16m), Q2 (8m) and Q3 ((8m) - Total 32 marks.
2. From Part B , answer any 4 questions from Q No.4 to Q9. Each question carries 12marks (total 48 marks)
3. Part C, Q No. 10 (Case Study) is compulsory.( 20 marks)

PART A

Q 1) 16 marks. Attempt any 16 out of 20 (1 mark each – total 16 marks)

Choose the right answer from below.

1. Prime cost is the sum of:
   (a) Direct material, Direct labor, Direct overheads b) Administration and selling expenses
2. Solvency Analysis refers to analysis of :
   a) Long term financial position   b) Short term financial position
3. Financial Accounting activities include:
   a) Interpreting   b) Auditing
4. Current Assets include:
   a) Prepaid expenses   b) Outstanding expenses
5. Current Ratio is a part of :
   a) Balance sheet ratio   b) Revenue statement ratio
6. Variable cost is also known as :
   a) Product cost   b) Process Cost
7. Capital Gearing Ratio is also known as :
   a) Proprietary Ratio   b) Capital Structure Ratio
8. Absorption costing includes
   a) Marginal costing   b) Process costing
Fill in the blanks:

9) The Education Cess is levied @ ______ and Secondary & Higher Education Cess @ ______.

10) The prevailing percentage of Service Tax is levied @______.

11) The percentage of VAT is ______ for Iron & Steel items in State of Maharashtra.

12) Full rate of Excise Duty is applicable when the manufacturing turnover crosses _______ crores.

13) The additional duty (countervailing duty) is levied under Section 3(1) of the Customs Tariff Act and is equal to __________ levied on a like product manufactured or produced in India.

14) Money Insurance policy covers risks associated with __________ of goods.

15) Fire Insurance policy does not cover loss or damage to the property caused by fire generated due to own fermentation, natural _________, or spontaneous ________ of the stocks.

16) For money lying in the safe at the business premises, the insurance protection is termed _________ in Safe Cover.

17) When the terms of an Acceptance differ from the terms of the offer, they will automatically be incorporated in the Contract, unless one of the following 3 conditions exist: (a) unless they materially alter the intent of the offer, (b) unless the offeror objects in writing, and (c) ________________.

18) A Contract must have the following two elements: (a) an agreement, and (b) __________ ______.

19) The prevailing rate of Central Sales Tax currently is ______.

20) Every business enterprise should realize that that “litigation of any sort” is always costly, even if the enterprise receives a “________” decision.
Q2. State whether the following statements are true or false. 8 marks

a) VAT is a single point Tax
b) Permanent working capital represents current assets required on a seasonal basis over the entire year
c) Foreign Company is always a non-resident in India
d) Gross Profit ratio can be classified as a revenue statement ratio
e) Redemption of preference shares is a source of fund
f) Stock turnover ratio indicates the liquidity of inventory
g) Income under the head “Other Sources” is taxable on “due basis”
h) Unclaimed dividend can be recorded as a current liability

Q3. Match the following (8 marks)

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<tbody>
<tr>
<td>1</td>
<td>Book of Prime Entry</td>
<td>A</td>
</tr>
<tr>
<td>2</td>
<td>Net Working Capital</td>
<td>B</td>
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<tr>
<td>3</td>
<td>Debtors turnover Ratio</td>
<td>C</td>
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<td>4</td>
<td>Stock turnover ratio</td>
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<td>5</td>
<td>Direct expense</td>
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<td>6</td>
<td>Job order costing</td>
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<tr>
<td>7</td>
<td>Excise costing</td>
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<td>8</td>
<td>Accounting Convention</td>
<td>H</td>
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PART B 48 marks

(Attempt any four. Each question carry 12 marks )

Q4. Write briefly what the following terms mean:

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<tbody>
<tr>
<td>(a) Payback period</td>
<td>(b) Cash Budget</td>
</tr>
<tr>
<td>(d) Leverage Ratios</td>
<td>(e) Honest mistakes</td>
</tr>
<tr>
<td>(g) Money in transit cover</td>
<td>(h) use of any non-standard Weights &amp; Measures</td>
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<tr>
<td>© Operations Budget</td>
<td>(f) Warranty of title</td>
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Q5. Explain Profit / volume analysis and its limitations

Q6. Outline briefly the salient features of major insurance policies available to Retail Business.

Q7. What makes a good contract? Highlight some of the important themes a Buyer should reflect on.

Q8. Write briefly on any 3 of the following (3 x 4 marks = 12 marks)

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<tr>
<th>(a) Octroi</th>
<th>(b) Excise Duty</th>
<th>(c) GST</th>
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<tbody>
<tr>
<td>(d) CVD</td>
<td>(e) Service tax</td>
<td>(f) Road tax</td>
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Q9. Illustrate with example “The interpretation and Use of Financial Information.

PART C

Q10. Case Study (Compulsory question) Answer any one question (A or B) – 20 marks

Ramesh is concerned about inventory costs and after extensive enquiries has identified a new software that will carry out the required process much more effectively than his present one. The installing and operating cost which will last for eight years, will be Rs. 8 lakhs during which period the running & maintenance cost will be reduced by Rs. 1 lakh a year, and there will be a savings on materials of Rs.40000/- a year.

Questions

A. Would you recommend Ramesh to buy the software if the only consideration was a financial one and the cost of money was 15%?

OR

B. Illustrate a system of Budgeting for a one brand Retail which demonstrates feedback and control at every stage, and a system that enables to produce information quickly and accurately.

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