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**BBA(III)/H – 9/14**

**2014**

**Time : 3 hours**

**Full Marks : 80**

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

**The questions are of equal value.**

**Answer from both the Groups as directed.**

**Group – A**

**(Objective-type Questions)**

**Answer all questions.**

**1. Choose the correct answer of the following :**

**2×10 = 20**

**(a) The term current assets do not include :**

**(i) Cash**

**(ii) Stock in trade**

**(iii) Advance payments**

**(iv) Furniture**

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**(Turn over)**

- (b) Bank account is a :
- Personal Account
  - Real Account
  - Nominal Account
  - None of these
- (c) Goodwill account is a :
- Nominal Account
  - Real Account
  - Personal Account
  - None of these
- (d) Which of the following is a current liability ?
- Long term loans
  - Share capital
  - Outstanding wages
  - Debentures
- (e) Which of the following is not a source of fund ?
- Purchase of Machinery
  - Profit earned during the year
- (f) Basic concept of Financial Management :
- Profit maximisation
  - Wealth maximisation
  - Procurement of fund
  - Procurement and effective utilisation of funds
- (g) A budget is prepared for :
- Future events
  - Past events
  - Present events
  - None of these
- (h) Net worth of a business means :
- Equity capital
  - Total assets
  - Total assets minus total liabilities
  - Fixed assets minus current assets

(i) Current ratio is a :

- (i) Balance Sheet Ratio
- (ii) Profit and Loss Ratio
- (iii) Combine Ratio
- (iv) None of these

(i) Balance Sheet shows the :

- (i) Financial position of a business
- (ii) Balance of all accounts
- (iii) Net profit earned during the year
- (iv) None of these

**Group - B**

**(Long-answer Type Questions)**

Answer any four questions of the following :

$$15 \times 4 = 60$$

- 2. Describe the essential steps of a budgetary control system.
- 3. Why the Inventory Management is important ? Explain the objectives of inventory management.
- 4. Define Financial Management and discuss its main functions.

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Contd.

5. The following data are available from the records of a company :

Sales — Rs. 60,000

Variable Cost — Rs. 30,000

Fixed Cost — Rs. 15,000

Calculate (a) P/V Ratio (b) Break-Even Point and (c) Margin of safety

6. From the following informations, calculate (a) current ratio (b) quick ratio :

Current Assets	Rs.	Current Liabilities	Rs.
Inventory	5,60,000	Creditors	4,00,000
Debtors	3,50,000	Bank loans	2,00,000
Cash at Bank	40,000	Bills payable	1,00,000
Cash in hand	30,000		

7. Examine the role of Financial Management in Modern Business.

8. What do you mean by Ratio Analysis ? Discuss its significance and limitations.

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( Turn over )

9. Define funds flow statement and discuss its uses for management.

10. What is Trial Balance ? Distinguish between Trial Balance and Balance Sheet.

