	Utech
Name:	
Roll No. :	A Agreem of Exemplater and Explanat
Invigilator's Signature :	

## CS/BHM/SEM-5/HM-510/2009-10 2009

### ADVANCED ACCOUNTING

Time Allotted: 3 Hours Full Marks: 70

The figures in the margin indicate full marks.

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

# GROUP – A ( Multiple Choice Type Questions )

1. Choose the correct alternatives for any *ten* of the following :

 $10 \propto 1 = 10$ 

- i) Discounted cash flow is a technique applied in
  - a) Capital Budgeting
  - b) Working capital management
  - c) Cash flow statement
  - d) Ratio Analysis.
- ii) Earnings per share is an example of
  - a) Liquidity ratio b) Leverage ratio
  - c) Activity ratio d) Profitability ratio.

55932 [ Turn over

#### CS/BHM/SEM-5/HM-510/2009-10

- iii) Balance sheet shows the
  - a) Financial position
- b) Balance of all accounts
- c) Income position
- d) None of these.
- iv) Which of the following is not a source of fund?
  - a) Issue of share capital
  - b) Sale of fixed asset
  - c) Issue of bonus shares
  - d) None of these.
- v) Acid test ratio is
  - a) Current asset/current liability
  - b) Quick asset/current liability
  - c) Fixed asset/current liability
  - d) Working capital/current liability.
- vi) Which of the following techniques of project appraisal does not take into account the time value of money?
  - a) Internal rate of return
  - b) Payback period
  - c) Benefit cost ratio
  - d) Net present value.
- vii) Liquid assets are equal to
  - a) Value of all current assets
  - b) Sum of cash and bank balance
  - c) Current assets less inventories & prepaid expenses
  - d) None of these.
- viii) Assets of business means
  - a) Liabilities Capital
- b) Cash + Capital
- c) Liabilities + Capital
- d) Capital + Drawings.
- ix) Current liabilities do not include
  - a) bills payable
- b) sundry creditors
- c) pre-paid expenses
- d) short term loan.

Current ratio = 2 : 1; Net working capital Rs. 20,000, X) then the current assets is Rs. 30.000 a) b) Rs. 50,000 d) Rs. 20,000. c) The depreciation of machinery involves a/an ..... xi) of fund. a) source b) application absence of flow d) c) none of these. xii) While preparing funds flow statement an increase in working capital is regarded as Application of funds a) b) Source of funds c) Neither application nor source Both application as well as source. d) **GROUP - B** (Short Answer Type Questions)  $3 \propto 5 = 15$ Answer any three of the following. The ratio relating to HOTEL CITY BAR are given below: Gross profit ratio 25% Stock velocity 6 months Debtors velocity 3 months Creditors velocity 3 months Rs. 60,000 Gross profit Find out: a) sales b) closing stock c) sundry debtors d) sundry creditors cost of goods sold. Distinguish between fund flow and cash flow statements. What is capital budgeting? Discuss its importance. 2 + 3Explain the significance of ratio analysis. State the limitations of ratio analysis in brief.

2.

3.

4.

5.

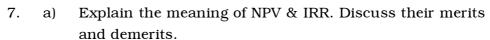
6.

#### CS/BHM/SEM-5/HM-510/2009-10



#### (Long Answer Type Questions)

Answer any three of the following.



b) Distinguish between NPV and IRR.

(4+6)+5

- 8. a) What is Fund Flow Statement? What are its importances?
  - b) What are the limitations of the balance sheet?

(2+5)+8

9. Prepare the Balance Sheet of Hotel Mumtaj from the following information :

Current ratio 2.5:1

Liquid ratio 1.5:1

Proprietory ratio 0.75

(Fixed assets / proprietor's funds)

Working capital Rs. 60,000

Reserves & Surplus Rs. 40,000

Bank overdraft Rs. 10,000

There is no Long-term loan or Fictitious Assets.

- 10. Write the challenges of maintaining inventory of the kitchen and house-keeping departments of a five star hotel.
- 11. While investing in a mega project in Dubai, United Arab Emirates, how should a hotel management company look for its capital and working capital? Write logically.

55932 4