

--	--	--	--	--	--	--	--	--	--



DMI-ST. EUGENE UNIVERSITY

ZAMBIA

DEGREE EXAMINATION – JUNE 2023

Semester: VII 055MG71 FINANCIAL ACCOUNTING & MANAGEMENT

Time: 3:00 Hours

Max. Marks: 100

Answer any FIVE Questions (5 x 20 = 100 Marks)

1. a) Explain any two kinds of cashbook with format (5 Marks)
b) Briefly explain about the debit and credit principle in accounting. (10 Marks)
c) Elucidate the importance of basic concepts and assumptions in accounting. (5 Marks)
2. a) Write short notes on the preparations of trial balance. (5 Marks)
b) Discuss the groups interested in financial statements. (5 Marks)
c) Explain limitations of financial analysis. (10 Marks)
3. a) Explain the internal and external analysis. (5 Marks)
b) Discuss the nature of Financial Analysis. (5 Marks)
c) Briefly explain the fixed assets turnover ratios. (10 Marks)
4. a) Narrate the difference between funds flow statement and cash flow statement. (4 Marks)
b) Explicate how the trial balance can test the arithmetical accuracy of the books? (12 Marks)
c) Explain the two types of Inflows of Funds. (4 Marks)
5. a) Explain the Cost-volume-profit. (5 Marks)
b) Discuss what is meant by Break-even point. (5 Marks)
c) Explain about the essentials of preparing a production budget. (10 Marks)
6. a) Analyze the following transactions and name the account involved and indicate the debit and credit entries respectively. (10 Marks)

December 1 – Started business with K3,000
December 2 – Bought goods worth K2,000
December 9 -Received order for half of the goods from G
December 12 – Delivered the goods G invoiced K 1,300
December 15- Delivered goods and received cash K1,200
December 31 – Paid wages K210

- b) Write short notes on the following **(4 Marks)**
- i. Capital
 - ii. Assets
 - iii. Liabilities
 - iv. Expenses
- c) Explain the process of accounting from recording of business transactions to preparation of trial balance **(6 Marks)**
7. a) Explicate the analysis of efficiency ratios. **(5 Marks)**
- b) Elucidate the main objectives of ratio analysis. **(5 Marks)**
- c) Explain what you understand by the term Common-size financial statements? **(10 Marks)**