

MIZORAM PUBLIC SERVICE COMMISSION
MIZORAM CIVIL SERVICES (COMBINED COMPETITIVE)
MAIN EXAMINATION, 2023

COMMERCE & ACCOUNTANCY

PAPER-I

Time Allowed : 3 hours

FM : 100

Marks for each question is indicated against it.

Attempt any 5 (five) questions taking not more than 3 (three) questions from each Part.

PART - A

1. (a) What are the functions of Financial Accounting? **(10)**
(b) Prepare a Cash Flow Statement from the following information: **(10)**

Liabilities	2021	2022	Assets	2021	2022
Share Capital	1,00,000	1,50,000	Fixed Assets	2,00,000	3,50,000
Securities Premium	-	50,000	Bills Receivable	25,000	50,000
P&L A/c	50,000	1,00,000	Stock	50,000	85,000
Long term loan	1,00,000		Cash	2,500	-
Provision for tax	15,000	25,000	Bank	22,500	-
Loan from X	10,000	75,000			
Bills Payable	25,000	35,000			
Bank Overdraft	-	50,000			
	3,00,000	4,85,000		3,00,000	4,85,000

Additional information:

Net profit for the year after charging Rs.25, 000 as depreciation was Rs.75,000. Dividend paid on shares was Rs.25, 000. Tax provision created during the year amounted to Rs.30,000.

2. (a) (i) Write a note on 'Costing as an aid to Managerial Decision Making.' (5)
(ii) Enumerate the functions of Cost Accounting. (5)
- (b) The following data relate to the manufacturing of a standard product during the 4 week period to June 30th, 2022. (10)

Particulars	
Raw Materials Consumed	Rs.4000
Wages	Rs.6000
Machine hour worked	1,000
Machine hour rate	50 paise
Office overhead	20% on works cost
Selling Overhead	60 paise per unit
Units produced	20,000
Units sold	18,000 @ Rs. 1 per unit

You are required to prepare cost sheet showing the cost per unit and profit for the period.

3. (a) Highlight the incomes relating to business which do not come under the heading 'Profits and Gains from Business and Profession'. (10)
(b) List out the incomes as per section 10 that are to be exempted while computing 'Income from House Property' (10)
4. (a) What are the powers and duties of a Company Auditor? (10)
(b) What do you mean by Internal Control, Internal Check and Internal Audit in auditing? (10)

PART B

5. (a) (i) Distinguish between IRR and NVP approach in choosing a capital expenditure project. (5)
(ii) What is Capital Budgeting? Discuss the process of Capital Budgeting. (5)
(b) Explain the nature, scope and objectives of financial management. (3+3+4=10)
6. (a) (i) How is Operating leverage different from Financial Leverage? (2)
(ii) Determine the various factors that affect the working capital requirements of a firm. (8)
(b) Briefly explain the Theories of Capital Structure. According to you which is the best capital structure theory to be applied for growing firms and why? (7+3=10)
7. (a) What are the functions of an efficient capital market? Differentiate between primary and secondary capital market. (5+5=10)
(b) State the role of Indian Financial System in economic development. (10)
8. Write short notes on the following (*any five*): (5×4=20)
- (a) Role of SEBI in the capital market (b) Functions of SIDBI and IFCI
(c) NABARD (d) Types of Life Insurance Policies
(e) Functions of EXIM Bank (f) Non- Banking financial institutions