



# INDIAN INSTITUTE OF MATERIALS MANAGEMENT

## Post Graduate Diploma in Logistics & SCM

### Post Graduate Diploma in Materials Management - 2 years

PAPER No 7 (enrolment code –PGMM, PGSM)

### Financial Accounting

Dec 2025

Date : 16.12.2025  
Time : 10.00 a.m to 1.00 p.m

Max. Marks: 70  
Duration : 3 Hrs.

#### Instructions:

1. From Part A, contains 4 main questions (with 5 sub-questions) each question carries 1 mark Total of 20 marks
2. From part B answer any 5 questions out of 5 questions. Each question carries 10 marks – A Total of 50 marks
3. Use of standard calculator is permitted.

### PART – A (compulsory)

[20 marks]

(Compulsory- each sub-question carries one mark)

Q 1. Expand the following:

{ 5 Marks}

- a. ASB
- b. IFRS
- c. CM
- d. ARR
- e. SEC

Q 2. Match the following:

{ 5 Marks}

Column A	Column A
a. Accounting Equation	1. Define the problem
b. Real a/c rule of Credit	2. Assets = Capital+Liability
c. Cash Book is also known as	3. Credit what goes out
d. Process of Decision Making includes	4. All aspects of an organisation's operations and finances
e. Master Budget includes	5. Bank Book

Q 3. State True or False:

{ 5 Marks}

- a. The variable budget is flexible over a range of activities.
- b. The Process costing requires huge managerial control.
- c. The Institute of Chartered Accountants of India stands as the foremost accounting authority in India.
- d. Transactions in Journal are recorded in a chronological order.
- e. A Balance-sheet indicates the sources of cash inflow and outflow of an organization.

Q 4. Fill in the blanks:

{ 5 Marks}

- a. Profit and Loss account is also known as .....
- b. Debit the receiver and credit the giver is the accounting rule for ..... account.
- c. The technique of transferring the debit and credit accounts from a classified accounts in ledger is known as .....
- d. When financial transactions are recorded in violation of accounting principles, the error is called the.....
- e. Prime Cost is equal to Material cost plus .....

**PART B****[ Total 50 Marks]****Answer any five out of the following eight questions: (10 Marks each)****Q 5.** Explain GAAP and various Concept of Financial Accounting. **{10 marks}****Q 6.** Journalise following transactions in the books of M/s XYZ Corporations: **{10 marks}**

- a) Started business with Rs 2,60,000 as self-capital and Rs 2,40,000 as loan from HDFC.
- b) Purchased trading material of Rs 1,00,000 from M/s Zoom India on credit.
- c) Sold Goods/trading material for Rs 1,30,000 in cash.
- d) Withdrew Rs 20,000 from Bank for disbursement of bonus.
- e) Paid Rs 90,000 to M/s Zoom India as full and final payment.

**Q 7.** Prepare Trading, Profit & Loss a/c and Balance Sheet of M/s Skyline Enterprises from following Trial Balance as at 31 March 2025: **{10 marks}**

Particulars	Debit (Rs)	Credit (Rs)
Capital		20,000
Sundry Debtors	15,400	
Drawings	1,800	
Machinery	7,000	
Sundry Creditors		2,800
Wages	10,000	
Purchases	19,000	
Opening Stock	4,000	
Bank Balance	3,000	
Carriage Charges	300	
Salary	400	
Rent and Taxes	900	
Sales		39,000
<b>Total</b>	<b>61,800</b>	<b>61,800</b>

Adjustment Entries:

- a. Closing Stock Rs 1,200/
- b. Outstanding Rent and Taxes Rs 100/
- c. Depreciation @10% on Machinery
- d. Wages prepaid Rs 400/

**Q 8 a.** Describe Financial Statement Analysis and difficulties one faces during the analysis **{5 marks}****b.** Describe Accounting Standards, its objectives and scope. **{5 marks}****Q 9.** Describe Accounting Model with suitable examples to prove that assets are equal to capital and liabilities. **{10 marks}****Q 10 a.** Explain relationship among Financial, Cost and Management accounting. **{5 marks}****b.** Describe Standard Costing. **{ 5 marks}****Q 11.** Explain Break Even Analysis and its uses. Support your views with the help of graphical analysis. **{10 marks}****Q 12.** Briefly describe Corporate Governance in different countries. **{10 marks}**