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Total number of printed pages – 2

MBA
MBA 105

First Semester (Back/Special) Examination – 2013

BASIC FINANACIAL ACCOUNTING

QUESTION CODE : D 497

Full Marks – 70

Time : 3 Hours

Answer Question No. 1 which is compulsory and any **five** from the rest.

The figures in the right-hand margin indicate marks.

1. Answer the following questions : 2×10
 - (a) What is amortization ? How is it different from obsolescence ?
 - (b) What cash inflows and outflows are anticipated in financing activities ?
 - (c) What are the differences between fund and cash ?
 - (d) What are the objectives of ration analysis ?
 - (e) How do you compute ROI and ROE ?
 - (f) What are activity ratios ?
 - (g) What is horizontal analysis ?
 - (h) What is forfeiture of shares ?
 - (i) What is marshalling of Balance Sheet ?
 - (j) What are the differences between manufacturing account and trading account ?
2. Why should we maintain accounts ? Discuss the steps in accounting process. 10
3. Who are the users of accounting information ? Explain their accounting needs. 10



P.T.O.

4. What is an accounting equation ? Illustrate its mechanism by imaginary transactions to prove that two sides of the equations are always equal. 10
5. Give journal entries to the following nature of transactions. 10
- (a) Goods damaged by fire
 - (b) Exchange of new asset for old asset
 - (c) Cash discount
 - (d) Depreciation
 - (e) Bad debts recovered
6. What are subsidiary books ? Why are they maintained ? Discuss one subsidiary book with imaginary data. 10
7. How are capital expenditures different from revenue expenditures ? Give examples. 10
8. Give journal entries to show issue of shares at premium and issue of shares at discount. Give imaginary figures. 10

