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Total Number of Pages: 03

MBA
15MNG103

**1st Semester Back Examination 2018-19
FINANCIAL ACCOUNTING AND ANALYSIS**

BRANCH : MBA

Time : 3 Hours

Max Marks : 100

Q.CODE : E752

Answer Question No.1 (Part-1) which is compulsory, any EIGHT from Part-II and any TWO from Part-III.

The figures in the right hand margin indicate marks.

Part- I

Q1 Short Answer Type Questions (Answer All-10) (2 x 10)

- a) Distinguish between Book Keeping and Accounting.
- b) What do you mean by Accounting Period concept?
- c) Give two each examples of Real Account and Personal Account.
- d) Journalise the transaction:
Depreciation is charged on Machinery @ 10% p.a.(Cost of Machinery Rs 1,00,000)
- e) What do you mean by Bad Debt Recovered Account?
- f) Write two transactions to be recorded in Journal Proper.
- g) Give two examples of Direct Expenses.
- h) What is AS 6 and AS 10?
- i) What is Earning per Share? How is it calculated?
- j) What do you mean by Subscribed Capital?

Part- II

Q2 Focused-Short Answer Type Questions- (Answer Any Eight out of Twelve) (6 x 8)

- a) What is GAAP? What does it signify?
- b) What is convention of conservatism?
- c) Prepare cash account from the following transactions.
 - Business started with cash Rs 50,000
 - Cash Sales Rs 20,000
 - Cash Purchases Rs 18,000
 - Credit Sales to Rajib Rs 6,000
 - Rent paid Rs 12,000
 - Salary Paid Rs 16,000

d) What is Memorandum of Association?

e) Discuss the causes of Depreciation.

f) What is Comparative Statement? Illustrate with imaginary figures.

g) Explain the Debtor Turn Over Ratio with suitable example.

h) Calculate the Inventory Turn Over ratio from the following figures.

Opening Inventory	Rs 40,000
Closing Inventory	Rs 44,000
Sales	Rs 4,15,000
Gross Profit Ratio	20%

i) How do you compute Cash Flow from Investment Activities?

j) Ditya purchased a piece of Machinery for Rs 82,000. The scrap value of the machine after estimated life of 20 years is Rs 2,000. It is decided to charge depreciation on straight line method. Prepare Machinery account only for the first year.

k) Show the Accounting Equation from the following transactions:

Commenced business with cash	Rs 80,000
Purchased Furniture worth	Rs 20,000
Loan from Bank	Rs 25,000
Paid Rent	Rs 6,000
Cash purchase	Rs 10,000

l) Pass Opening journal entry:

Cash in Hand Rs 20,000, Bank balance Rs 5,000, Closing Stock Rs 7,000, Furniture Rs 15,000, Creditors Rs 3,000, Bills Payable Rs 5,000, Debtors Rs 2,000, Bills Receivable Rs 5,000

Part-III

Long Answer Type Questions (Answer Any Two out of Four)

Q3

Enter the following transactions in the Triple column Cash Book in the books of accounts of M/S Peterson Trading. (16)

2017, Jun1	Cash in hand	Rs 5700
Jun1	Cash at Bank	Rs 15500
Jun 3	Sold goods for cash	Rs 16400
Jun 5	Purchased goods for cash	Rs 10000
Jun 8	Received a cheque from Manas	Rs 7000
Jun 11	Issued a cheque to Rahman	Rs 1580
	discount allowed by him	Rs 20
Jun 13	Cash Purchases	Rs 2500
Jun15	Withdrew cash from bank	Rs 5000
Jun 17	Received from James	Rs 950
	allowed him discount	Rs 50
Jun 20	Printing & Stationery purchased for cash	Rs 1000
Jun 24	Paid electricity by cheque	Rs 5000
Jun 27	Paid salaries by cheque	Rs 6500
Jun 28	Bank charges	Rs 20

- Q4** From the following Trial Balance of M/S Patrick Sanitary, prepare Trading and Profit & Loss account for the year ending 31st December 2017 and a Balance Sheet as on that date. **(16)**

Debit Balance	Amount (Rs)	Credit Balance	Amount (Rs)
Opening Stock	20,000		
Purchases	80,000		
Sales Return	6,000		
Carriage Inward	3,600		
Carriage Outward	800		
Wages	42,000		
Salaries	27,500	Sales	2,70,000
Plant & Machinery	90,000	Purchases Return	4,000
Furniture	8,000	Discount	5,200
Sundry Debtors	52,000	Sundry Creditors	25,000
Bills Receivable	2,500	Bills Payable	1,800
Cash in Hand	6,300	Capital	75,000
Travelling Expenses	3,700		
Lighting	1,400		
Rent and Rates	7,200		
General Expenses	10,500		
Insurance	1,500		
Drawings	18,000		
	3,81,000		3,81,000

Additional Information :

- Closing Stock Rs 24,000
- Outstanding wages Rs 3,000
- Outstanding Salaries Rs 2,500
- Prepaid Insurance Rs 300
- Depreciate Plant & Machinery @ 5% p.a and Furniture @5% p.a

- Q5 a)** What do you mean by Depreciation? State the basic factors required for estimating depreciation. **(8)**
- b)** Distinguish between Straight Line method and Diminishing Balance method of Depreciation. **(8)**

- Q6** Discuss the meaning and concept of financial Statement Analysis. Also explain the Long term Solvency ratios with suitable examples. **(16)**